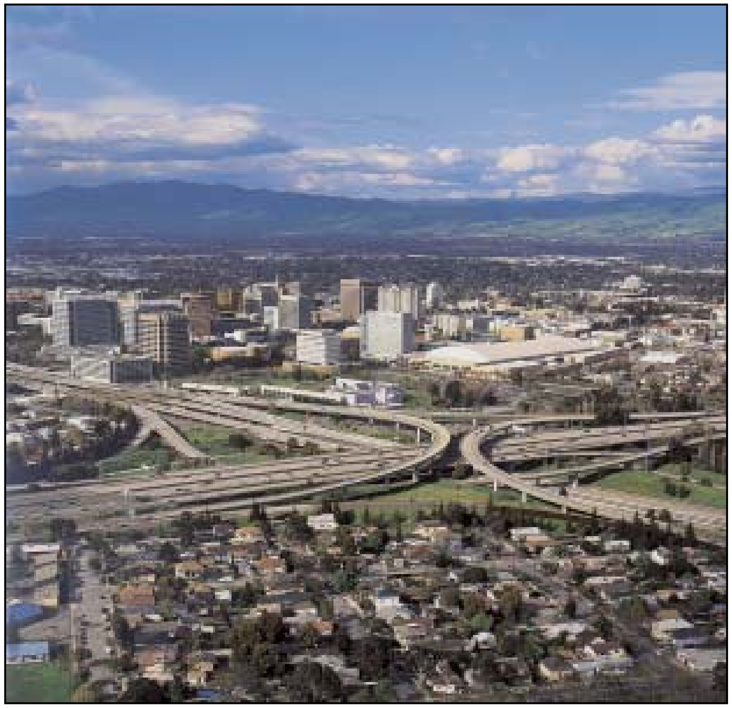
Preliminary Major League Baseball Market Analysis And Facility Review



Presented to:
San Jose Sports Facilities Task Force

June 7, 2004

Conventions Sports & Leisure

City of San Jose
Capital of Silicon Valley

June 7, 2004

Mr. Jim Eller
Chairman
San Jose Sports Facilities Task Force

Dear Mr. Eller:

Conventions, Sports & Leisure International (CSL) is pleased to present this preliminary market analysis and facility review related to Major League Baseball (MLB) in San Jose to the San Jose Sports Facilities Task Force (Task Force). This is the first of four analyses we have completed. The reports related to Major League Soccer, the National Football League and the National Basketball Association will be completed at a later date. The attached report summarizes the research and analyses conducted for the MLB analysis, and is intended to assist the Task Force in making informed decisions regarding the potential for bringing a MLB franchise to San Jose.

The information contained in this report is based on estimates, assumptions, and other information developed from research of the market, knowledge of the sports industry, and other factors, including certain information you have provided. All information provided to us by others was not audited or verified, and was assumed to be correct. Because the procedures were limited, we express no opinion or assurances of any kind on the achievability of any projected information contained herein and this report should not be relied upon for that purpose. Furthermore, there will be differences between projected and actual results. This is because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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We sincerely appreciate the opportunity to assist you with this project, and would be pleased to be of further assistance in the interpretation and application of the study's findings.

Very truly yours,

CSL International

CSL International

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I. Introduction

The San Jose Sports Facilities Task Force (Task Force) is currently assessing the current and potential future state of San Jose's sports facilities and franchises, including the potential for attracting new major professional sports franchises to San Jose. The purpose of this summary is to provide a variety of information and analyses related to current trends in Major League Baseball (MLB) and the potential operations of a MLB franchise in San Jose. MLB represents an opportunity for San Jose to add another major professional sports franchise to the market through a potential relocation of the Oakland Athletics (Athletics) or, if the Athletics were to relocate to another market outside the Bay Area, by attracting a relocation or expansion MLB franchise.

Athletics ownership has indicated that the team does not have a viable long-term future playing the Network Associates Coliseum, which lacks the revenue-generating capabilities of more modern, baseball-specific ballparks. San Jose has been considered as a viable relocation destination for the Athletics, assuming a suitable facility was developed in San Jose. However, the San Francisco Giants have publicly resisted such a move, arguing that a franchise in San Jose would cannibalize much of the Giants' current fan base in the south Bay Area and that the south Bay Area is part of the Giants' home territory. MLB executives have thus far supported the Giants on this issue, stating that a relocation of the Athletics to San Jose would not be allowed based on the current territorial rights as defined by MLB. Nonetheless, the possibility remains that agreements could be reached between the Athletics, Giants and MLB that would allow for the relocation of the Athletics to San Jose or with a move by the Athletics outside of the Bay Area to another market, with another MLB franchise moving to San Jose.

In order to provide the Task Force with the information necessary to make informed decisions regarding the future of MLB in San Jose, a number of analyses have been conducted. The following report summarizes the findings of these analyses, presented in the following sections:

- Major League Baseball Demographic Analysis,
- Major League Baseball Overview;
- Major League Baseball in San Jose;
- Funding Analysis; and,
- Next Steps.

The information presented in this summary is intended to provide the Task Force with a clear picture of issues currently facing MLB, the opportunities and challenges associated with bringing an MLB franchise to San Jose and the potential operating results of a MLB ballpark and franchise in San Jose.

II. Major League Baseball Demographic Analysis

An important component in assessing the potential success of sports franchises and facilities is the demographic and socioeconomic profile of the market area. The strength of a market in terms of its ability to attract events and spectators and generate revenues is measured, to some extent, by the size of the regional market area population, corporate base and its spending characteristics in the context of local competition. The following section presents an overview of the demographics of the Bay Area as a whole, including a comparison of the three major markets comprising the greater Bay Area: San Jose, San Francisco and Oakland. This section also includes discussions of the area's demographics within the context of MLB, including the potential impact a relocation of a franchise to San Jose could have on the market and its franchises.

Metropolitan Area Analysis

The Bay Area is comprised of three distinct metropolitan areas: San Jose, San Francisco and Oakland. While each of these markets has its own distinct demographic and socio-economic characteristics, it is useful to gain an understanding of the region's population as a whole as an initial step in analysing the region's demographics. The table below summarizes the counties included in the Bay Area Consolidated Metropolitan Statistical Area (CMSA), which is comprised of the San Jose, San Francisco, Oakland, Santa Cruz-Watsonville, Santa Rosa and Vallejo-Fairfield-Napa Metropolitan Statistical Areas (MSA's), and the population of each MSA. As shown, the total population of the Bay Area CMSA is approximately 7.3 million.

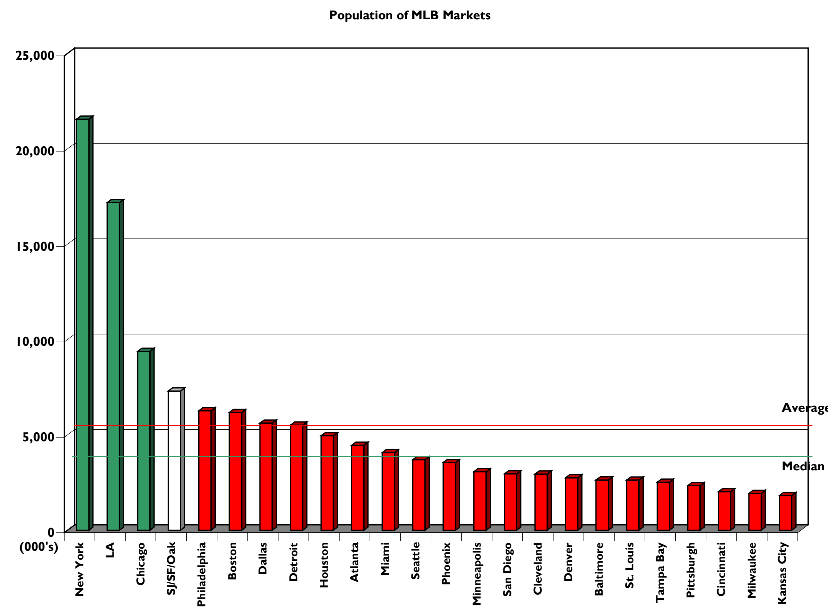
Bay Area CMSA Summary

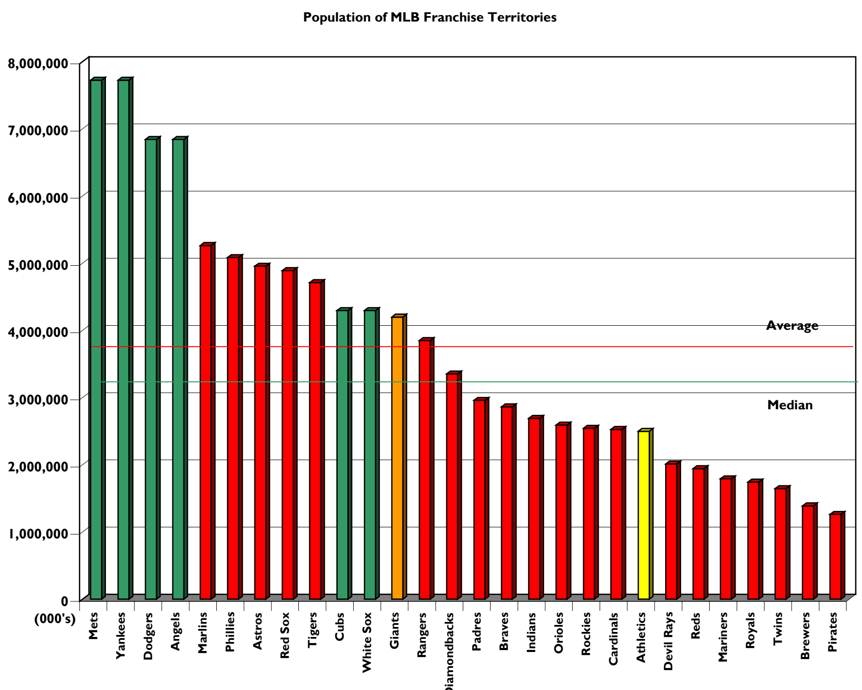
MSA	Counties	MSA Population	% of Total
Oakland	Alameda, Contra Costa	2,498,300	34%
San Francisco	Marin, San Francisco, San Mateo	1,777,500	24%
San Jose	Santa Clara	1,741,700	24%
Vallejo-Fairfield-Napa	Napa, Solano	542,400	7%
Santa Rosa	Sonoma	480,300	7%
Santa Cruz-Watsonville	Santa Cruz	263,100	4%
Total Population (CMSA)		7,303,300	100%

Source: Sales & Marketing Management, 2003.

II. Major League Baseball Demographic Analysis

The chart to the right compares the population of the San Jose-Oakland-San Francisco CMSA with other CMSA's or MSA's currently hosting a MLB franchise. Markets hosting multiple MLB franchises are highlighted in green. The Bay Area is one of four markets with more than one MLB franchise, along with Los Angeles, New York and Chicago. The Bay Area CMSA is the smallest of the four dual team markets, but is the fourth largest MLB market overall.





The chart to the left compares the populations within the MLB-stated territories of each franchise. The Bay Area is unique in that it is the only dual team market for which each franchise has a separately defined territory. In each of the other dual team markets, the two franchises share the same territory. For those franchises, the populations presented in the chart are equal to half of the total population in the territory. As shown in the chart, the population within the Athletics' territory ranks 21st among the 28 U.S. MLB franchises, while the Giants' territory population ranks 12th.

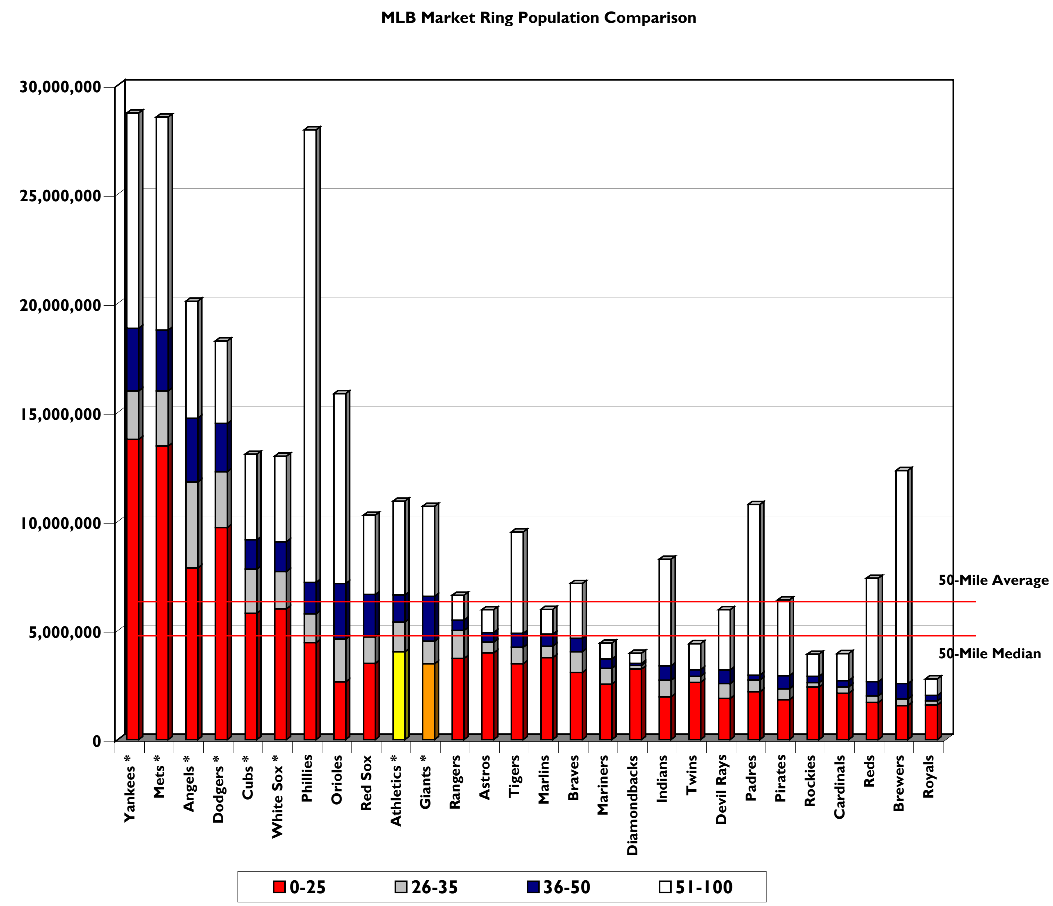
II. Major League Baseball Demographic Analysis

Ring Analysis

While the demographics related to the CMSA and individual MSA's can be useful in assessing the overall strength of a market, they have limitations when assessing demographics as they relate to potential fan bases of professional sports teams. Assuming that the majority of a team's attendance is derived from within a certain distance from the home facility, an analysis of the population within a certain distance could represent a more accurate representation of a franchise's fan base than the population within an arbitrary geographical area. Therefore, the remainder of the demographic analysis is based on a comparison of the current market areas based on 25-, 35-, 50- and 100-mile radii surrounding each city. For existing MLB markets, the radii are centered on the market's MLB stadium, while the San Jose rings are centered in downtown San Jose.

Population

The level of population from which a franchise draws attendees can impact the ability of the team to attract consistently strong attendance levels. The following chart compares the populations within the specified radii surrounding each existing U.S. MLB stadium, sorted by 50-mile population. Franchises in dual team markets are denoted by an asterisk. As shown, the Athletics and Giants currently rank 10th and 11th, respectively, among U.S.-based MLB franchises in terms of 50-mile population.



* Markets with multiple MLB franchises
Source: Claritas, Inc.

II. Major League Baseball Demographic Analysis

The following table summarizes current population levels within 25, 35, 50 and 100 miles of the three Bay Area locations analyzed in comparison with the high, low, median and average among current MLB markets.

Population

	San Jose		San Francisco		Oakland		MLB	MLB	MLB	MLB
Variable	**Total**	**Rank**	**Total**	**Rank**	**Total**	**Rank**	**High**	**Average**	**Median**	**Low**
Current Population										
25-mile	2,489,300	19	3,472,022	14	4,024,795	8	13,757,100	4,224,400	3,351,500	1,555,700
35-mile	3,520,700	16	4,506,200	12	5,388,100	8	15,983,100	5,325,300	4,253,400	1,770,300
50-mile	6,313,400	11	6,563,600	11	6,631,600	10	18,852,200	6,416,200	4,848,300	2,018,200
100-mile	10,443,100	12	10,694,600	12	10,929,600	10	28,722,700	10,969,900	8,890,200	2,782,396

Source: Dakota Worldwide; Claritas.

Rankings are of 28 U.S. MLB teams. San Jose rankings assume the Athletic would relocate to San Jose from Oakland.

As shown, Oakland has the largest population of the three Bay Area markets within each of the radii analyzed. San Jose's 25-mile population is approximately 1.0 million below that of San Francisco, and approximately 1.5 million below that of Oakland. However, when expanded to 50-mile radii, the population difference is less pronounced, due to the fact that much of the 50-mile radii of each market overlap. San Jose's 25-mile population of approximately 2.5 million would rank 19th among MLB markets, while its 100-mile population of 10.4 million would rank 12th in the league.

Shared Population Analysis

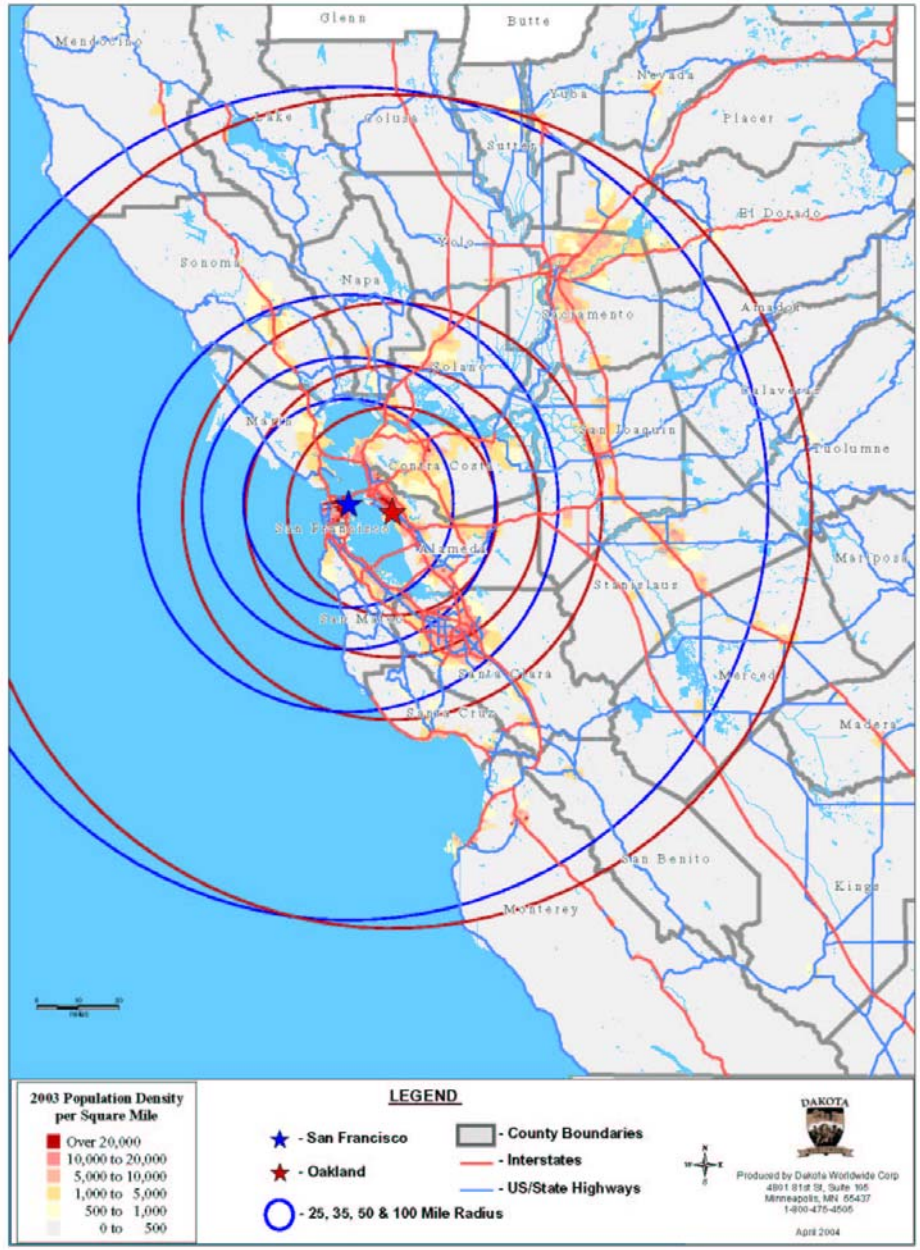
Based on the proximity of the Athletics and Giants ballparks, there is a significant overlap in the market areas of the two franchises. In order to gain a better understanding of the extent to which the markets from which the Giants and Athletics draw fans overlap, an analysis of the shared populations within each radius was completed. The map on the following page presents each team's market radii superimposed on a population density map of the region.

II. Major League Baseball Demographic Analysis

The following table summarizes the population within each of the radii surrounding SBC Park and Network Associates Coliseum and within the shared portions of each markets' radii.

Shared Population Summary

	Shared Population			
Markets	25-Mile	35-Mile	50-Mile	100-Mile
Oakland Total Population	4,024,800	5,388,100	6,631,600	10,929,600
San Francisco Total Population	3,472,000	4,506,200	6,563,600	10,694,600
Shared Population	3,355,400	4,459,600	6,405,700	10,685,200
% of Oakland Total	83.4%	82.8%	96.6%	97.8%
% of San Francisco Total	96.6%	99.0%	97.6%	99.9%



As shown, each of the radii surrounding San Francisco and Oakland share significant overlapping areas, which seems to indicate that the two teams draw largely from the same population base. However, due to the unique geography of the area, particularly the presence of the Bay, the two teams have the opportunity to draw fans from areas whose residents could not as easily access the other team's ballpark. For example, residents of the southwest Bay area may more conveniently access SBC Park, while residents east of the Bay may more easily reach Athletics games in Oakland.

II. Major League Baseball Demographic Analysis

As previously noted, the Bay Area is one of four markets hosting more than one MLB franchise. Other multi-team markets consist of:

- Los Angeles (Dodgers and Angels);
- Chicago (Cubs and White Sox); and,
- New York (Mets and Yankees).

The table to the right compares the overlapping populations of the San Francisco and Oakland markets with those of the three other multi-team markets. As previously noted, due to the relatively close proximity of their respective ballparks, the Giants and Athletics share much of the same population within a 25-, 35- and 50-mile radius of the stadiums. This is similar to the situations in New York and Chicago, where upwards of 90 percent of the ballparks' populations are shared within each of the three radii. The shared portion of the population is proportionately smaller in the Los Angeles market due to the greater distance between the market's MLB ballparks. However, at a radius of 50 miles, the shared portion of each teams' market population still represents more than 90 percent of the total population within each ballpark's radius.

Shared Population Summary

	Shared Population		
Markets	25-Mile	35-Mile	50-Mile
Bay Area			
San Francisco/Oakland	3,355,390	4,459,593	6,405,655
% of Oakland Total	83.4%	82.8%	96.6%
% of San Francisco Total	96.6%	99.0%	97.6%
Other MLB Markets			
Dodgers/Angels	4,587,900	9,692,000	13,222,900
% of Dodgers Total	48.0%	80.1%	91.8%
% of Angels Total	59.4%	82.7%	90.2%
Cubs/White Sox	5,290,400	7,346,800	9,031,800
% of Cubs Total	91.8%	94.1%	97.7%
% of White Sox Total	88.5%	95.2%	98.6%
Mets/Yankees	13,032,300	15,530,900	18,388,500
% of Mets Total	97.8%	98.0%	98.7%
% of Yankees Total	95.7%	98.0%	98.3%

Adjusted Population

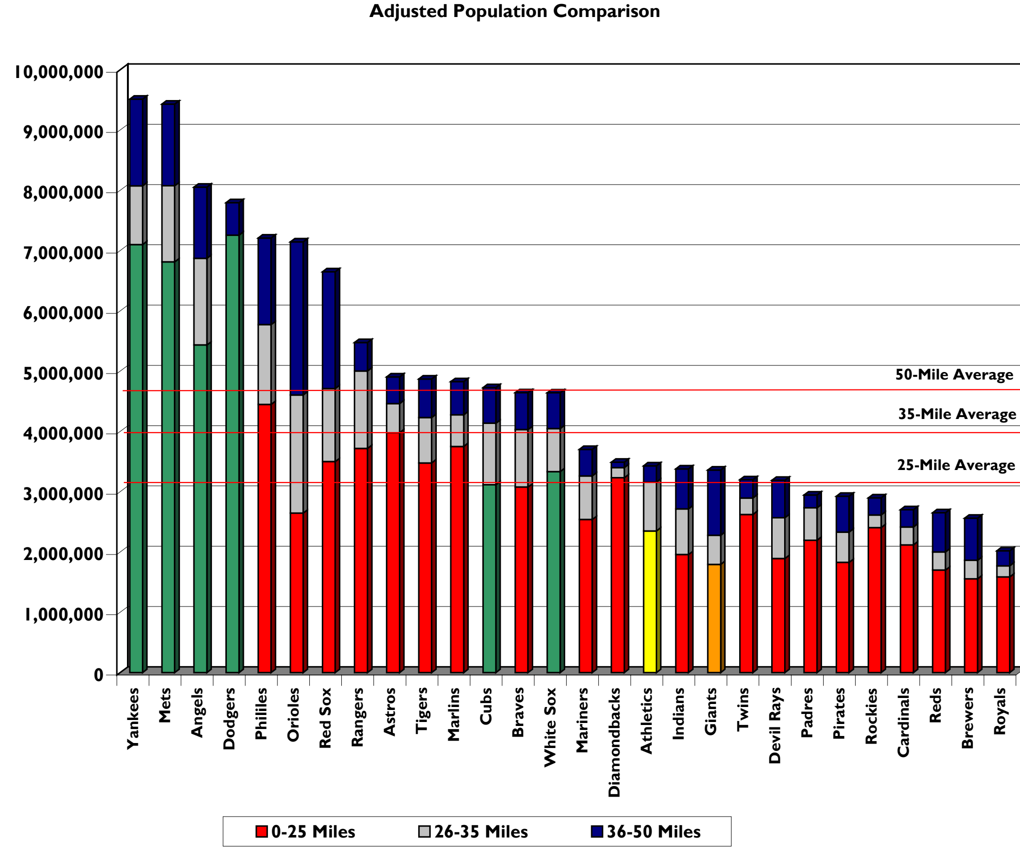
In order to further define the dual MLB franchise markets, the population within the shared portion of each radius has been divided between the franchises in each market. Adjusted population represents an allocation of population to each franchise by maintaining the unique population for each franchise (the portion of each team's market not shared by the other team) and dividing the shared population equally between the two teams. Such an allocation is relatively simplistic as it does not consider factors such as geography, fan tendencies, stadium access and other unique facets of the population and market. However, it can provide a more accurate picture of a team's market area than simply analyzing the market population as a whole. Detailed information on each team's season ticket base and fan attendance data would be required to further define the market for dual team market franchises.

II. Major League Baseball Demographic Analysis

The chart on the right compares the adjusted population of each MLB franchise at a 25-, 35- and 50-mile radius, sorted by 50-mile population. Franchises playing in dual team markets are highlighted in green. As shown, the Athletics' adjusted 50-mile population ranks 17th among the 28 U.S. MLB markets, while the Giants rank 19th in terms of adjusted population.

The following table compares the adjusted populations of the Athletics' and Giants' markets with the medians and averages of other MLB markets.

Adjusted Population Comparison



Adjusted Population Comparison

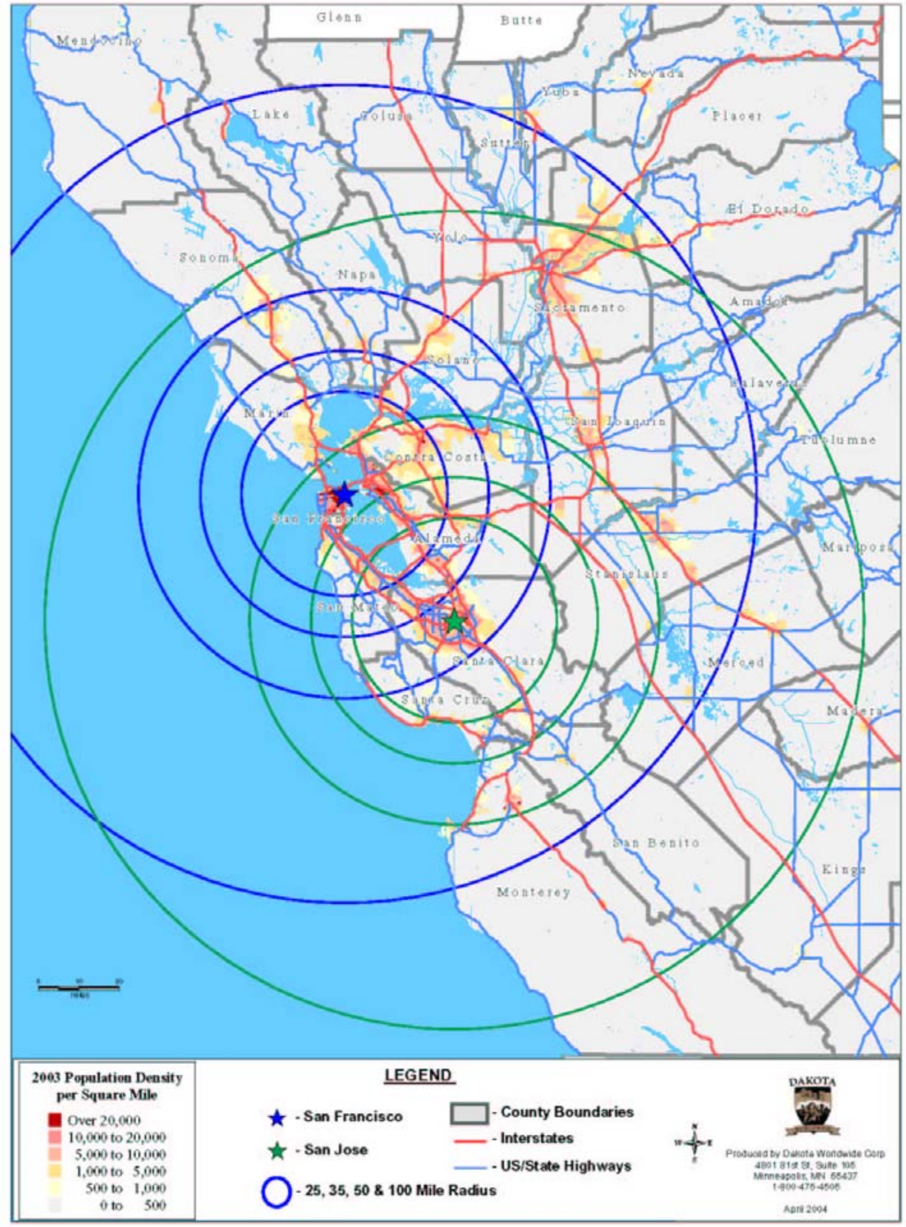
Markets	25-Mile	35-Mile	50-Mile
Adjusted Population			
Oakland	2,347,100	3,158,300	3,428,800
San Francisco	1,794,300	2,276,400	3,360,800
Dual Team Market Average	4,649,400	5,487,400	6,368,900
Dual Team Market Median	4,382,800	5,503,800	6,260,800
Single Team Market Average	2,710,700	3,382,400	4,069,400
Single Team Market Median	2,579,500	3,078,100	3,434,500
Oakland Rank	19	17	17
San Francisco Rank	25	25	19

Note: Rankings are of 28 U.S. based MLB franchises.
Source: Claritas, Inc.

As shown in the table, when adjusted for shared population base, the populations of Oakland and San Francisco are significantly lower than the median and average of other dual team markets. In comparison with single team markets, San Francisco's population is below the median and average at each radius, while Oakland's population is above the 35-mile median and near the 50-mile median.

San Jose Impact

The previous information presented in the population analysis presented a picture of the current situation pertaining to the Bay Area MLB franchises. The following analyses assume that an MLB franchise is located in San Jose and that Oakland no longer hosts a franchise. The purpose of these analyses is to provide an understanding of the impacts this scenario would have on the markets of each Bay Area franchise. The map on the right presents the 25-, 35-, 50- and 100-mile radii surrounding San Francisco and San Jose, while the table below compares the shared population between the two cities with the shared population of existing dual MLB team markets.



Shared Population Summary

Markets	Shared Population 25-Mile	35-Mile	50-Mile
Bay Area			
San Jose/San Francisco	409,600	1,816,900	5,434,200
% of San Jose Total	16.5%	51.6%	86.1%
% of San Francisco Total	11.8%	40.3%	82.8%
Other MLB Markets			
Dodgers/Angels	4,587,900	9,692,000	13,222,900
% of Dodgers Total	48.0%	80.1%	91.8%
% of Angels Total	59.4%	82.7%	90.2%
Cubs/White Sox	5,290,400	7,346,800	9,031,800
% of Cubs Total	91.8%	94.1%	97.7%
% of White Sox Total	88.5%	95.2%	98.6%
Mets/Yankees	13,032,300	15,530,900	18,388,500
% of Mets Total	97.8%	98.0%	98.7%
% of Yankees Total	95.7%	98.0%	98.3%
Current SF/Oakland Shared	3,355,390	4,459,593	6,405,655
% of Oakland Total	83.4%	82.8%	96.6%
% of San Francisco Total	96.6%	99.0%	97.6%

Source: Dakota Worldwide

II. Major League Baseball Demographic Analysis

As summarized in the previous table, the San Jose market has a significantly smaller overlap with the Giants' market area at the 25- and 35-mile radii in comparison with the current Athletics. Beyond 50 miles the overlap is more pronounced, consistent with the current situation.

The table on the right compares the adjusted populations that would result from franchises in San Jose and San Francisco with those of the other U.S. MLB franchises. Because San Francisco shares less of an overlap with San Jose than with Oakland, San Francisco's adjusted population would rank stronger than at present in comparison with league averages. Both San Jose and San Francisco would rank well below the dual market team median and average at each radii. However, San Francisco would generally rank above the single team average and median, while San Jose would rank below the 25- and 35-mile medians, but above the 50-mile median population.

It should be noted that while the Giants would share less of their population base in the northern Bay Area if a team was located in San Jose rather than Oakland, a franchise in San Jose could compete more directly with the Giants to draw fans from the southwest Bay Area, a region that the Giants consider to be a key market area.

Adjusted Population Comparison

Markets	25-Mile	35-Mile	50-Mile
Adjusted Population			
San Jose	2,284,500	2,612,300	3,596,300
San Francisco	3,267,200	3,597,800	3,846,500
Dual Team Market Average	4,825,700	5,584,400	6,450,500
Dual Team Market Median	4,382,800	5,503,800	6,260,800
Single Team Market Average	2,710,700	3,382,400	4,069,400
Single Team Market Median	2,579,500	3,078,100	3,434,500
San Jose Rank	20	22	17
San Francisco Rank	12	12	15

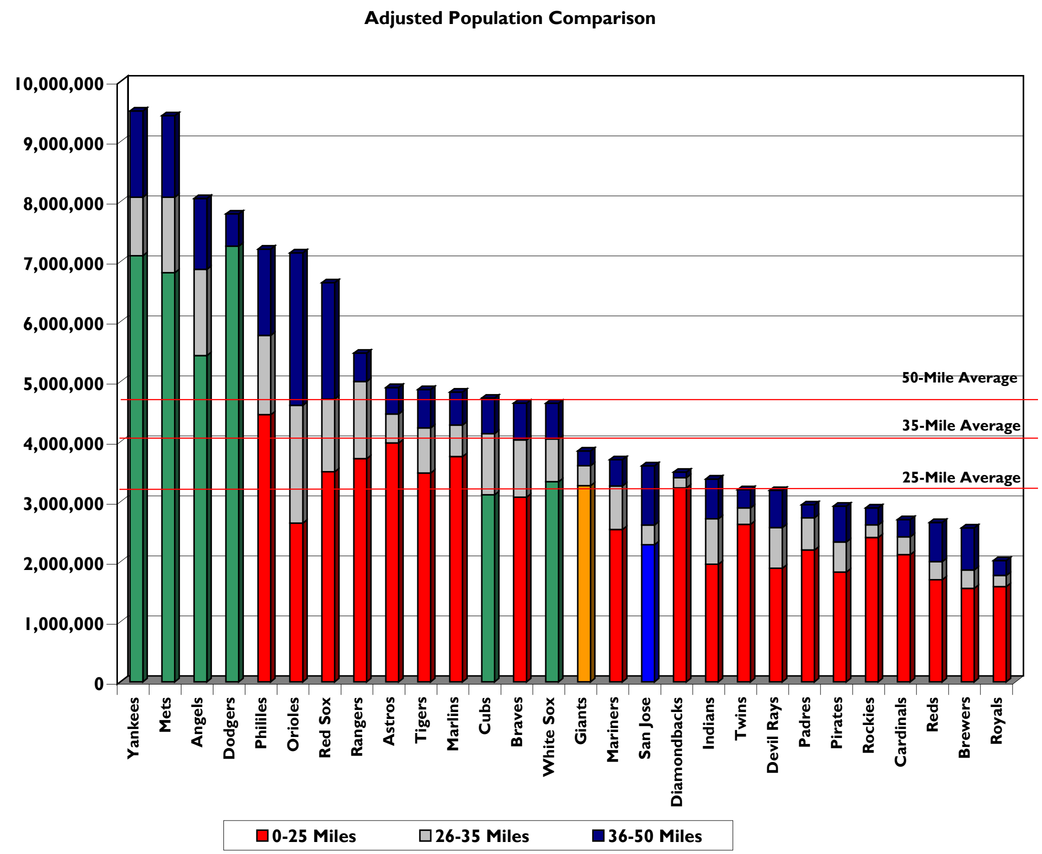
Source: Claritas, Inc.

Note: Rankings are of 28 U.S. based MLB franchises and assume a franchise in San Jose and no franchise in Oakland

The chart on the following page presents a comparison of the adjusted market populations of each U.S. MLB team assuming a team in San Jose rather than Oakland, sorted by 50-mile population.

II. Major League Baseball Demographic Analysis

As shown in the chart to the right, San Francisco and San Jose would rank 15th and 17th, respectively, among MLB franchises in terms of adjusted 50-mile population. In comparison, San Francisco and Oakland currently rank 19th and 17th, respectively.



In order to assess the specific impact on the population of the markets of the Bay Area franchises should a team be located in San Jose rather than Oakland, an analysis was conducted comparing the current combined adjusted population of the Athletics' and Giants' markets with the combined adjusted market population that would result from franchises located in San Jose and San Francisco.

The results of this adjusted market population analysis are summarized in the table on the following page. The following are definitions of the specific population sectors presented in the table.

- SF/Oakland Combined Adjusted Population: The population encompassed by the market area of the Athletics and/or the Giants.
- San Jose Population Gained: The population encompassed by the San Jose market area that is not located within the market areas of the Athletics or Giants.
- Oakland Population Lost: The population encompassed by the Oakland market area that is not located within the market areas of the Giants or the potential San Jose franchise.

- SF/San Jose Combined Adjusted Population: The population encompassed by the market area of the Giants and/or the potential San Jose franchise.
- Net Population Gain: The difference in population between the SF/San Jose combined market area and the SF/Oakland combined market area.

The table on the right summarizes the results of this analysis. As shown, the presence of a franchise in San Jose rather than Oakland would result in an increase of approximately 1.4 million in the combined 25-mile populations of the Bay Area franchises' markets. At the 35- and 50-mile radii, such a move would increase the franchises' combined adjusted market populations by approximately 775,400 and 653,200, respectively. This net gain in market population is due to the acquisition of new territory in the San Jose area, while eliminating much of the overlap currently shared by San Francisco and Oakland. However, it should be noted that much of the overlap that would exist between San Jose and San Francisco franchises would be located in the south Bay Area, which the Giants consider to be one of their key market areas.

Potential Impact of Athletics Relocation to San Jose on Adjusted Bay Area Fan Base Population

Radius	SF/Oakland Combined Adjusted Population	San Jose Population Gained	Oakland Population Lost	SF/San Jose Combined Adjusted Population	Net Population Gain
25-Mile	4,141,400	1,639,100	(228,800)	5,551,700	1,410,300
35-Mile	5,434,700	919,700	(144,900)	6,210,100	775,400
50-Mile	6,789,600	730,600	(77,400)	7,442,800	653,200

Households

While an area's population provides an estimate of total potential users of a facility, the number of households typically represents an estimate of the number of purchasing units in a market. Therefore, it is also important to understand the household inventory within each Bay area market. The following table depicts the household inventories of each radius analyzed.

Households

Variable	San Jose Total	San Jose Rank	San Francisco Total	San Francisco Rank	Oakland Total	Oakland Rank	MLB High	MLB Average	MLB Median	MLB Low
Household Inventory										
25-mile	872,700	20	1,367,600	12	1,551,100	8	5,053,100	1,557,300	1,267,000	615,900
35-mile	1,235,500	18	1,738,700	12	2,029,300	8	5,833,500	1,949,300	1,572,100	696,300
50-mile	2,295,100	11	2,438,600	11	2,444,500	10	6,841,900	2,340,900	1,763,500	791,300
100-mile	3,725,100	12	3,820,000	12	3,891,800	11	10,616,800	4,036,600	3,375,300	1,093,500

Source: Claritas.

Rankings are of 28 U.S. MLB teams. San Jose rankings assume the Athletic would relocate to San Jose from Oakland.

Similar to population, the Oakland market has the highest household inventory at each of the radii analyzed. San Jose has the lowest household inventory within each radius. However, the discrepancy between the San Jose, San Francisco and Oakland household inventories is relatively small at the 50-mile radii due to the large amount of overlap between the radii at that distance. San Jose would rank 20th among MLB markets in terms of 25-mile household inventory. At the 100-mile radius, San Jose would rank 12th, and would have a household inventory above the league median. It should be noted that as was the case with population, the extent to which each market's radii overlap has an impact on the actual household inventory from which each Bay Area franchise potentially draws fans.

Household Income

Household income levels within a particular market represent a key indicator of the potential success of a professional sports franchise within the market. Relatively high household income levels can indicate a greater ability to spend money on sports and other entertainment options, while also making the market more attractive to potential advertisers and sponsors. The map on the right superimposes the 25-, 35-, 50- and 100-mile rings surrounding San Jose and San Francisco on a household income distribution map of the region, while the following exhibit summarizes the percentage of households with income levels greater than $50,000 as well as the median household income within each of the radii analyzed.

Household Income

Variable	San Jose	San Francisco	Oakland	MLB Average
% of HH's with Income > $50,000				
25-Mile	73.0%	62.1%	63.8%	51.6%
35-Mile	70.5%	64.3%	65.3%	52.5%
50-Mile	65.3%	65.4%	65.6%	52.5%
100-Mile	59.5%	60.0%	59.7%	50.1%
Median HH Income				
25-Mile	$85,300	$67,100	$69,700	$52,500
35-Mile	80,600	70,200	71,700	53,600
50-Mile	71,700	71,500	71,900	53,700
100-Mile	62,400	63,500	63,100	50,800

Source: Claritas, Inc.

San Jose is the most affluent of the three distinct Bay Area markets in terms of the household income characteristics analyzed. At the 25- and 35-mile radii, San Jose would rank highest among MLB markets in each characteristic analyzed. However, it should be noted that the San Jose and Bay Area have a cost of living index of 176.3, making it one of the most expensive U.S. markets in which to live.

Age

Another demographic characteristic that is important to the overall viability of a professional sports franchise is the age of the local population. While professional sporting events attract a wide variety of age groups, the 18 to 49 age group generally represents the primary market for professional sports attendees. The following summarizes the percent of the population aged 18 to 49 in each of the San Jose, San Francisco and Oakland radii.

Age Distribution

Variable	San Jose	San Francisco	Oakland	MLB High	MLB Average	MLB Median	MLB Low
% of Population 18-49							
25-Mile	51.6%	50.1%	50.1%	51.6%	47.0%	46.9%	42.0%
35-Mile	50.3%	49.9%	50.4%	50.9%	46.9%	46.8%	42.0%
50-Mile	50.4%	49.9%	49.7%	50.4%	46.7%	46.8%	40.8%
100-Mile	48.2%	47.9%	47.7%	49.3%	46.1%	46.1%	40.4%

Source: Claritas.

As shown, each of the San Jose radii has slightly higher percentages of their populations falling in the 18 to 49 category in comparison to San Francisco and Oakland. In comparison with other MLB markets, San Jose percentage of the population between the ages of 18 to 49 is relatively strong at each of the radii analyzed.

Corporate Base

The strength of the local corporate base is a critical indicator of a market's potential ability to support professional sports franchises. Corporations are typically the primary purchasers of premium seating and sponsorships, two key revenue sources for a sports franchise and facility. The exhibit to the right summarizes the corporate inventory of each of the radii analyzed. For purposes of this analysis, the corporate inventory is defined as the number of corporate headquarters with at least 25 employees and $5 million in annual sales and corporate branches with at least 25 employees within the each radius.

As shown, the San Jose market's corporate inventory is smaller than those of San Francisco and Oakland at each of the radii analyzed. However, in terms of corporate inventory as a percent of population, the San Jose ranks stronger than the other Bay Area markets at the 25- and 35-mile radii, indicating that the San Jose market has a strong corporate base relative to its overall population. Further, San Jose's Silicon Valley location provides it with several major corporations located in close proximity, potentially giving a franchise in San Jose more direct access to the area's corporate base. This appears to indicate that a team in San Jose would have a relatively strong corporate base for selling sponsorships, premium seating and other such team and facility-related offerings.

Corporate Base

Variable	San Jose	San Francisco	Oakland
Total Corporate Inventory (1)			
25-Mile	6,500	6,700	8,300
35-Mile	8,300	9,300	11,300
50-Mile	12,100	12,800	13,000
Corp. Inv. As % of Population			
25-Mile	0.26%	0.19%	0.21%
35-Mile	0.24%	0.21%	0.21%
50-Mile	0.19%	0.20%	0.20%

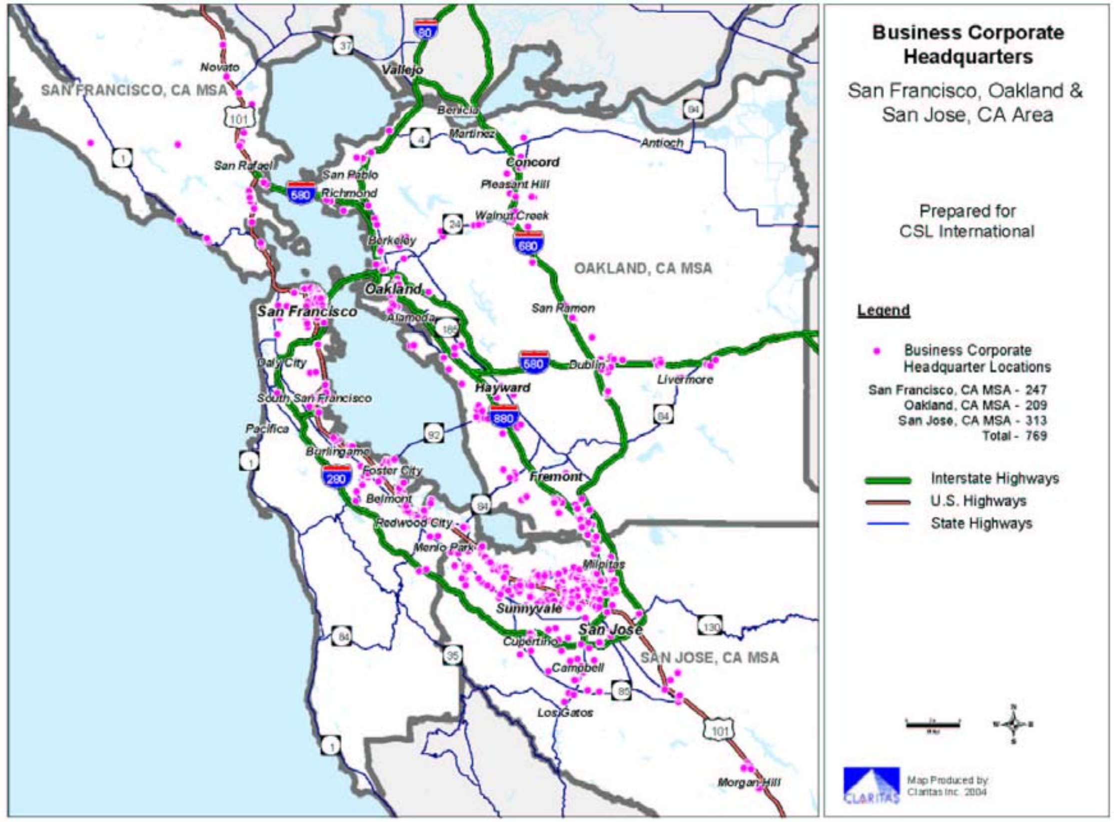
(1) Corporate headquarters with at least 25 employees and $5 million annual sales and corporate branches with at least 25 employees.

Source: Dun & Bradstreet.

As a means of assessing the distribution of major corporations in the Bay Area, a map was prepared plotting corporate headquarters in the region that have multiple branches located nationwide. The map can be found on the following page.

II. Major League Baseball Demographic Analysis

As demonstrated in the map, the San Jose area has a high density of corporate headquarters. The San Jose MSA has an inventory of approximately 313 major national corporate headquarters, compared to 247 and 209 in the San Francisco and Oakland MSA's, respectively. Further, as illustrated by the map to the right, there is a high concentration of major corporate headquarters in San Jose and the immediately surrounding area, which could indicate a strong market for premium seating, advertising and other such offerings at a new ballpark located in San Jose.



Demographic Summary

Within this section, an overview of the demographics of the Bay Area was presented, including comparisons of the three Bay Area markets. In addition, local demographics were analyzed in the context of MLB, including the impact the presence of a MLB franchise in San Jose could have on the market and its franchises. The following are the key findings of this demographic analysis.

II. Major League Baseball Demographic Analysis

- The San Jose-San Francisco-Oakland CMSA represents the fourth largest MLB market, but is the smallest market with more than one MLB franchise.
- In terms of population within 50 miles of their home ballparks, the Athletics and Giants rank 10th and 11th, respectively, out of 28 U.S. franchises.
- A significant portion of the population within the two franchises' radii is shared. When adjusted for this shared population, the Giants' and Athletics' market populations are below the MLB average.
- Franchises in San Francisco and San Jose would share a significantly smaller portion of their population bases than the portion currently shared by San Francisco and Oakland, and would result in a net gain in the combined adjusted population of the Bay Area's baseball market.
- While the Giants would share less of their population base in the northern Bay Area if a team was located in San Jose, a franchise in San Jose could compete more directly with the Giants to draw fans from the southwest Bay Area, which the Giants consider to be a key market area.
- San Jose's population is more affluent than that of the other Bay Area and MLB markets in terms of household income variables.
- San Jose exhibits a strong percentage of its population within the key 18 to 49 year old age range.
- San Jose's corporate base is smaller in comparison to San Francisco or Oakland, but its corporate base as a percentage of population is higher. Further, the San Jose area is home to a large number of major corporate headquarters with a strong concentration of corporate headquarters in close proximity to downtown San Jose.

III. Major League Baseball Overview

The primary purpose of this section is to provide a general overview of Major League Baseball ("MLB"), the Athletics and Giants franchises, historical MLB franchise transactions, and various current issues surrounding MLB and the operations of the Athletics and Giants. The information presented in this section is divided into the following areas:

- League overview;
- League economics;
- Labor and other League issues; and,
- Local Market History.

League Overview

In 1998, Major League Baseball added expansion franchises in the Tampa and Phoenix markets, increasing the total number of franchises to 30. Prior to the addition of the Phoenix and Tampa Bay franchises, the two previous expansion teams were the Colorado Rockies and the Florida Marlins, who entered the league in 1993. A division realignment was completed to accommodate the new franchises and to attempt to align teams within the same time zones, potentially increasing regional rivalries, fan interest and the attractiveness of broadcasting rights. The realignment resulted in a 16-team National League and a 14-team American League. MLB's current divisional alignment is summarized in the table to the right.

Major League Baseball Division Alignment

National League

East	*Central*	*West*
Atlanta Braves	Chicago Cubs	Arizona Diamondbacks
Florida Marlins	Cincinnati Reds	Colorado Rockies
Montreal Expos	Houston Astros	Los Angeles Dodgers
New York Mets	Milwaukee Brewers	San Diego Padres
Philadelphia Phillies	Pittsburgh Pirates	**San Francisco Giants**
	St. Louis Cardinals	

American League

East	*Central*	*West*
Baltimore Orioles	Chicago White Sox	Anaheim Angels
Boston Red Sox	Cleveland Indians	**Oakland Athletics**
New York Yankees	Detroit Tigers	Seattle Mariners
Tampa Bay Devil Rays	Kansas City Royals	Texas Rangers
Toronto Blue Jays	Minnesota Twins	

Due to the current economic structure of MLB, which will be discussed in detail in the next section, the ability of a franchise to generate revenues locally, from local media agreements as well as stadium revenues, plays a significant role in the financial viability of a franchise. Facility generated revenues, such as ticket sales, premium seating, naming rights, sponsorships and other such revenues typically comprise the largest portion of a team's revenues. In order to maximize franchise revenues, many teams have worked toward the development of new stadiums. The table to the right provides a breakdown of MLB franchises based on the current status of their playing facilities.

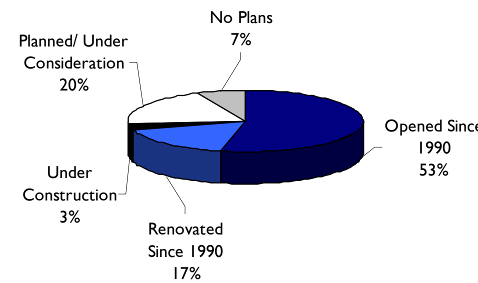
MLB Stadium Development Summary

Team	Stadium	Construction	Roof Type	Year Completed	Capacity	Other Tenants
Facilities Built Since 1990						
Number of Teams	*16*					
Percentage of Teams	***53%***					
San Diego Padres	Petco Park	New	Open-air	2004	42,000	none
Philadelphia Phillies	Citizens Bank Park	New	Open-air	2004	43,000	none
Cincinnati Reds	Great American Ballpark	New	Open-air	2003	45,000	none
Milwaukee Brewers	Miller Park	New	Retractable	2001	42,500	none
Pittsburgh Pirates	PNC Park	New	Open-air	2001	38,000	none
Detroit Tigers	Comerica Park	New	Open-air	2000	40,000	none
Houston Astros	Minute Maid Park	New	Retractable	2000	42,000	none
San Francisco Giants	SBC Park	New	Open-air	2000	41,503	none
Seattle Mariners	Safeco Field	New	Retractable	1999	47,000	none
Arizona Diamondbacks	Bank One Ballpark	New	Retractable	1998	48,500	none
Atlanta Braves	Turner Field	New	Open-air	1997	49,000	none
Colorado Rockies	Coors Field	New	Open-air	1995	50,200	none
Cleveland Indians	Jacobs Field	New	Open-air	1994	42,865	none
Texas Rangers	Ballpark at Arlington	New	Open-air	1994	49,178	none
Baltimore Orioles	Oriole Park at Camden Yards	New	Open-air	1992	48,262	none
Chicago White Sox	US Cellular Field	New	Open-air	1991	44,321	none
Facilities Renovated Since 1990						
Number of Teams	*5*					
Percentage of Teams	***17%***					
Kansas City Royals	Kaufman Stadium	Renovated	Open-air	2000	40,625	none
Los Angeles Dodgers	Dodger Stadium	Renovated	Open-air	1999	56,000	none
Anaheim Angels	Edison International Field (4)	Renovated	Open-air	1998	45,050	none
Tampa Devil Rays	Tropicana Field	Renovated	Dome	1997	43,000	none
Oakland Athletics	**Network Associates Coliseum**	**Renovated**	**Open-air**	**1996**	**47,313**	**NFL**
Facilities Under Construction						
Number of Teams	*1*					
Percentage of Teams	***3%***					
St. Louis Cardinals	New Stadium	New	Open-air	2006	46,000	none
Facilities Planned/Considering Construction						
Number of Teams	*6*					
Percentage of Teams	***20%***					
New York Yankees	Yankee Stadium	New	Open-air	1923	57,545	none
Boston Red Sox	Fenway Park	New/Renovated	Open-air	1912	33,871	none
New York Mets	Shea Stadium	New	Open-air/retractable	1964	55,601	none
Florida Marlins	Pro Player Stadium	New	Open-air	1987	46,238	NFL
Montreal Expos	Olympic Stadium	New	Dome	1976	46,500	none
Minnesota Twins	Metrodome	New	Open-air/retractable	1982	44,000	NFL
Teams with No Announced Plans						
Number of Teams	*2*					
Percentage of Teams	***7%***					
Chicago Cubs	Wrigley Field	n/a	Open-air	1914	38,765	none
Toronto Blue Jays	Skydome	n/a	Retractable	1989	50,516	CFL

III. Major League Baseball Overview

Of the 30 current MLB franchises, 16, or approximately 53 percent, are playing in ballparks opened since 1990, five franchises are playing in facilities that have undergone significant renovations since 1990 and one new stadium is currently under construction. Of the remaining eight franchises, six are currently considering the development of new or renovated ballparks. Although the A's are currently playing in a recently renovated ballpark, they are also seeking a long-term solution that will enhance the team's ability to generate revenues and remain competitive. This solution could involve a new stadium in either Oakland or San Jose, or could potentially involve a relocation of the A's to another market all together.

MLB Stadium Development Summary



MLB Stadium Physical Characteristics

Team	Stadium	Year Completed	Capacity	Suites		Club Seats
San Diego Padres	*Petco Park*	*2004*	*42,000*	*50*		*6,530*
Philadelphia Phillies	*Citizens Bank Park*	*2004*	*43,000*	*71*		*3,884*
Cincinnati Reds	*Great American Ballpark*	*2003*	*45,000*	*60*		*2,281*
Milwaukee Brewers	*Miller Park*	*2001*	*42,500*	*72*		*3,500*
Pittsburgh Pirates	*PNC Park*	*2001*	*38,000*	*61*		*2,897*
San Francisco Giants	*SBC Park*	*2000*	*41,503*	*67*		*7,590*
Houston Astros	*Minute Maid Park*	*2000*	*42,000*	*60*		*4,806*
Detroit Tigers	*Comerica Park*	*2000*	*40,000*	*88*		*1,961*
Seattle Mariners	*Safeco Field*	*1999*	*47,000*	*67*		*4,221*
Arizona Diamondbacks	*Bank One Ballpark*	*1998*	*48,500*	*69*		*6,830*
Anaheim Angels	*Edison International Field*	*1998*	*45,050*	*74*		*5,047*
Tampa Devil Rays	*Tropicana Field*	*1998*	*43,000*	*61*		*3,528*
Atlanta Braves	*Turner Field*	*1997*	*49,000*	*58*		*5,400*
Colorado Rockies	*Coors Field*	*1995*	*50,200*	*52*		*4,444*
Texas Rangers	*Ballpark at Arlington*	*1994*	*49,178*	*115*		*5,689*
Cleveland Indians	*Jacobs Field*	*1994*	*42,865*	*97*		*2,064*
Baltimore Orioles	*Oriole Park at Camden Yards*	*1992*	*48,262*	*65*		*5,120*
Chicago White Sox	*US Cellular Field*	*1991*	*44,321*	*100*		*1,833*
Toronto Blue Jays	Skydome	1989	50,516	162		4,284
Florida Marlins	Pro Player Stadium	1987	46,238	183		8,448
Minnesota Twins	Metrodome	1982	44,000	115		0
Montreal Expos	Olympic Stadium	1976	46,500	33		0
Kansas City Royals	Kaufman Stadium	1973	40,625	19		2,549
Oakland Athletics	Network Associates Coliseum	1968	47,313	147	(a)	2,897
St. Louis Cardinals	Busch Stadium	1966	49,814	60		0
New York Mets	Shea Stadium	1964	55,601	46		0
Los Angeles Dodgers	Dodger Stadium	1962	56,000	35		1,598
New York Yankees	Yankee Stadium	1923	57,545	28		1,000
Chicago Cubs	Wrigley Field	1914	38,765	61		0
Boston Red Sox	Fenway Park	1912	33,871	42		606
Average - All Ballparks			**45,606**	**74**		**3,300**
Average - Ballparks Opened Since 1990			**44,521**	**72**		**4,313**
Average - Ballparks Opened Prior to 1990			**47,232**	**78**		**1,782**

(a) Approximately 57 of the suites at Network Associates Coliseum are marketed for Athletics games, with the remainder utilized primarily for Oakland Raiders football.

As shown in the table on the left, older MLB stadiums have an average capacity of approximately 47,200. However, newer ballparks, in an effort to create a more intimate environment in a baseball-only facility, have a slightly lower capacity of approximately 44,500.

In addition to general seating, each of the existing MLB ballparks incorporates some level of private suites. Currently, MLB ballparks incorporate an average of 74 suites, with newer ballparks incorporating approximately 72 suites and older ballparks incorporating 78 suites on average. However, the average suite inventory at older ballparks is skewed by four dual purpose facilities that host a football team in addition to baseball and have significantly higher suite inventories. When these three facilities are excluded, the average suite inventory at older ballparks drops to approximately 41 suites.

All of the newer ballparks also incorporate club seating, averaging approximately 4,300 club seats, compared to approximately 1,800 club seats at the older ballparks. The ability of an MLB team to generate revenues from premium seating has played a key role in the overall financial viability of MLB franchises.

League Economics

MLB franchises generally have three primary revenue sources: national and local media (broadcasting), revenues generated through the playing facilities and shared revenues. A large portion of a MLB franchise's revenue is generated through broadcasting, and while teams equally share in national broadcasting revenues (approximately $18.6 million per franchise per season under the current rights agreements), significant variances in the level of local broadcasting revenues among teams has resulted in large disparities in the total revenue generated by teams. Further, teams playing in new facilities tend to derive a larger percentage of their total revenues from gate and stadium revenues when compared to franchises playing in older ballparks. More specifically, during the 2001 season, the average team playing in a ballpark that had opened or been renovated since 1990 generated approximately $23 million in incremental local revenue compared to the average franchise playing in an older ballpark. While revenues differ substantially across MLB markets, through the arbitration and free agent process, salary levels for players with three or more years of major league experience are fairly standardized among similar caliber players. As a result, in general, teams generating higher revenues have the opportunity to obtain a greater relative level of talented players through the free agent process.

This advantage on the part of franchises with relatively high local revenue levels resulted in a competitive imbalance in the late 1990's, as the vast majority of playoff teams had payrolls levels in the top half of MLB teams. However, the increasing gap between "low revenue" teams and "high revenue" teams was partially addressed in the mid 1990's through the implementation of revenue sharing. While revenue sharing did not eliminate the disparity between low and high revenue clubs, it may have contributed to the increased success of low revenue teams in recent seasons, when a number of franchises with relatively low revenues and team payrolls have enjoyed greater on-field success. For example, the Oakland Athletics have reached the playoffs in each of the past four years despite having a payroll ranked 23rd or lower in each of those seasons.

III. Major League Baseball Overview

The collective bargaining agreement reached between MLB owners and the Player's Association in 2002 included additional mechanisms through which to address the issue of competitive imbalance. Increases in revenue sharing and a "Competitive Balance Tax" on the highest team payrolls were designed to limit the spending of high revenue teams while providing additional money to low revenue franchises.

Despite the positive impacts of the collective bargaining agreement and revenue sharing, MLB franchises continue to struggle to turn profits from operations. As revenue sharing has increased, teams with historically lower payrolls have increased payroll levels in order to field a competitive team on the field. New facilities have helped offset some of the losses, however, as has been documented in the press in recent years, very few teams in MLB are actually able to generate operating profits.

In general, the largest revenue sources for MLB teams include gate receipts, media-related revenues and stadium-related revenues. The largest team expense is generally player compensation, with other major expense categories consisting of scouting, player development, general and administrative, and marketing and publicity.

Player Salaries

As previously discussed, player salaries have historically constituted the largest share of a MLB team's expenses. Player salaries have experienced phenomenal growth over the past decade. This growth has slowed somewhat in recent years due to the slowing economy and increasing fiscal conservatism on the part of team owners. In fact, the average player salary and opening day team payroll decreased in 2004 for the first time since 1995. The table on the right summarizes current MLB team payroll levels. As shown in the table, the average MLB franchise had a reported opening day payroll of $69.0 million in 2004, slightly higher than the five-year average of $65.8 million. The Giants' payroll totals approximately $82.0 million for the 2004 season, which ranks 10th in the League, while the Athletics rank 16th with a team payroll of approximately $59.4 million. The Giants' payroll has increased by an average of 11 percent per year since 2000, compared to a growth rate of 17 percent for the Athletics payroll over the same time period. League-wide, player compensation increased at a rate of approximately five percent per annum from 2000 to 2004. However, as previously noted, the average payroll decreased slightly in 2004 compared to 2003.

MLB Opening Day Payroll Summary

	2004	5-Year Average
MLB High	$184,194,000	$133,620,000
MLB Median	62,319,000	64,778,000
MLB Average	69,042,000	65,839,000
MLB Low	27,529,000	37,721,000
San Francisco Giants	82,019,000	71,998,000
Rank (of 30)	10	11
Oakland Athletics	59,426,000	43,125,000
Rank (of 30)	16	24

Source: USA Today

III. Major League Baseball Overview

Franchise Values

Forbes annually publishes a list of estimated franchise valuations for each of the major U.S. sports leagues. Valuations are based on factors such as annual revenues, stadium situations, revenue sharing and other such variables. As summarized in the table to the right, the average team value approximated $295 million in 2003. The Giants ranked seventh of the 30 MLB teams with a value of $368 million in 2003, while the Athletics' estimated value of $186 million ranked 23rd among MLB franchises. Since 1999, the Giants' estimated value has grown at an annual rate of 11.5 percent, while the Athletics' value has averaged 8.5 percent annual growth over the same period. Both of these growth rates exceed the league average of 6.1 percent per year since 1999. As mentioned previously, although losses from operations are common among MLB franchises, franchise values as a whole continue to increase, due largely the increased revenues generated from new ballparks and the general increase in franchise valuations.

MLB Forbes Valuation Summary
2003 Valulation (in millions)

MLB High	$832
MLB Median	279
MLB Average	295
MLB Low	145
San Francisco Giants	368
Rank (of 30)	7
Oakland Athletics	186
Rank (of 30)	23

Labor and Other League Issues

Professional baseball faces a number of issues reflecting a constantly changing environment. The business of baseball has changed significantly over the past few decades. The increasing popularity of basketball and hockey has intensified the competition for the entertainment dollar in a number of markets. Further, the large disparity among large and small market teams with regard to revenue has also impacted the industry. The following areas highlight some key issues currently facing MLB.

MLB owners and the MLB Players Association (MLBPA) reached a new labor agreement in 2002 that extends through the end of the 2006 season. The agreement included two major mechanisms aimed at reducing the disparity between high revenue and low revenue franchises: revenue sharing and the competitive balance tax.

While limited revenue sharing had been enacted under the previous CBA, the current agreement increased the amount of revenue to be redistributed each year. Specifically a base of $175 million is distributed equally to all MLB teams, with the remainder distributed based on the local revenue levels of individual teams. The total amount distributed began at $230 million in 2003, increasing to $243 million in 2004, $258 million in 2005 and $301 million in 2006.

In addition to revenue sharing, a competitive balance tax was enacted, requiring teams with payrolls in excess of a predetermined threshold to pay a penalty based on the amount by which the threshold is exceeded. As with revenue sharing, the competitive balance tax threshold increases in each year of the agreement, beginning at $117 million in 2003, $120.5 million in 2004, $128 million in 2005 and $136.5 million in 2006. Teams exceeding the threshold in a given year are penalized by 17.5 percent in the first instance, increasing to as much as 40 percent for multiple instances.

In addition to the above issues, the CBA also addressed several other issues, including enacting a steroid testing policy, increasing the minimum salary from $200,000 to $300,000 and tabling franchise contraction through the 2006 season. The contraction issue may impact the future of the Athletics franchise. Should MLB choose to contract one or more franchises following the 2006 season, they are likely to eliminate franchises playing in inadequate stadiums and generating low revenue levels, making the Athletics a potential candidate for contraction should issues surrounding their stadium situation fail to be addressed.

Local Market History

The Bay Area is currently home to two MLB franchises: the San Francisco Giants and the Oakland Athletics. The following is a overview of key current and historical operating characteristics of these franchises.

Giants Overview

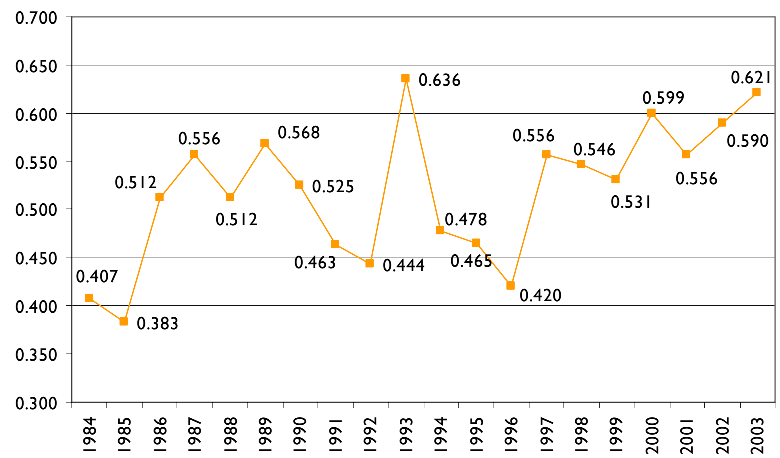
Franchise History

The Giants franchises dates back to 1883, when it joined the National League as the New York Gothams. From 1885 to 1957, the team played as the New York Giants, winning five championships over that time. After the 1957 season, Giants owner Horace Stoneham relocated the team to San Francisco. Along with the Dodgers, who moved from Brooklyn to Los Angeles at the same time, the Giants became the first MLB franchise on the west coast. The team played its first two seasons at Seals Stadium, a former minor league ballpark, before moving to Candlestick Park in 1960. Candlestick Park, later known as 3Com Park, served as the home of the Giants through the 1999 season, after which the Giants moved to Pacific Bell Park, now known as SBC Park. Since moving the San Francisco, the Giants have made eight postseason appearances, including three World Series.

In 1992, Giants' ownership was considering relocating the team to Florida before the franchise was purchased by a group led by Peter Magowan, who also led the effort to build SBC Park. The construction of the new ballpark ensured the future of the Giants in San Francisco.

The Giants have enjoyed on-field success in since opening SBC Park, reaching the playoffs in three of the four seasons played in the new ballpark. The chart on the right presents the year-by-year on-field performance of the Giants over the last 20 years in terms of winning percentage. As shown, the Giants have posted winning records in each of the past seven seasons. The Giants combined winning percentage over the past 20 seasons was .518.

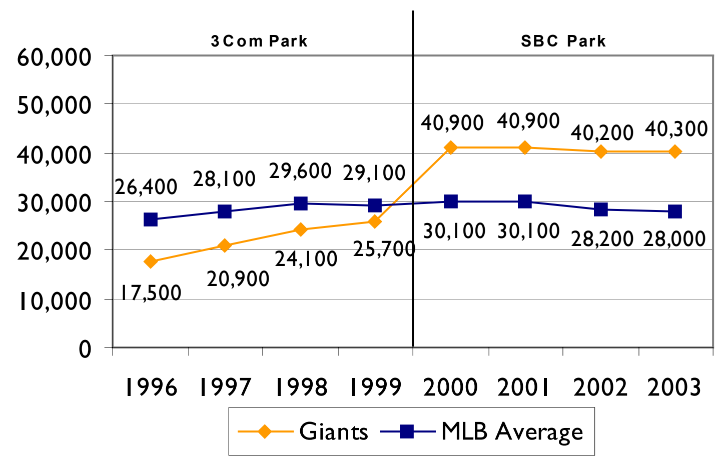
San Francisco Giants Winning Percentage - 1984 to 2003



Community Support

In terms of game attendance, the Giants have exhibited very high levels of community support over their first four seasons in SBC Park. The chart to the right compares the Giants' average per-game attendance from 1996 to 2003 with the overall MLB average. It should be noted that the 1999 season was the franchise's last in 3Com Park. As indicated in the chart, Giants' attendance was below the league average in each of the team's last four seasons at 3Com Park. However, the Giants have averaged over 40,000 fans per game in each of their four seasons at SBC Park, exceeding the league average by more than 10,000 fans per game in each of those years. The Giants are one of just two teams, along with the New York Yankees, to average at least 40,000 fans per game in each of the last four seasons.

San Francisco Giants Average Per Game Attendance - 1996 to 2003



Source: MLB; Sports Business Journal

III. Major League Baseball Overview

Stadium

Formerly known as Pacific Bell Park, SBC Park opened in 2000 and has a total seating capacity of approximately 41,500. Premium seating offerings at the Park include 67 private suites and 7,590 club seats. The $290 million facility was almost entirely privately financed through sources such as naming rights, signage, sponsorships rights, charter seat licenses sales and other such revenues. The team sold approximately 15,600 charter seat licenses at prices ranging from $1,500 to $7,500, raising approximately $55 million to help finance ballpark construction. Licenses were also sold on suites at the ballpark, requiring suite purchasers to make a significant upfront payment in addition to the annual lease price. The stadium is owned and operated by the Giants.

Stadium Lease

Because SBC Park is privately owned, it does not have a typical lease agreement between a public entity and a franchise tenant. However, China Basin Ballpark Company LLC, a company formed by the Giants for the purpose of leasing the land and financing, developing and operating the ballpark project, entered into a ground lease with the City and County of San Francisco through the San Francisco Port Commission for the land on which the ballpark was built. The lease expires on December 31, 2022, with the Giants then having the option to extend the lease for up to seven extended terms of five years each, and a subsequent eighth extended term of six years.

Under the terms of the lease, the Giants must make a minimum annual rent payment of $1.2 million to the Commission, adjusted once every three years to reflect changes in the CPI. The Giants are responsible for all stadium expenses, including all possessory interest and property taxes imposed on the premises. In addition, the Giants agreed to collect and pay to the Commission an admissions tax of $0.25 per ticket sold.

Local Media

As with most MLB franchises, the Giants broadcast their games over a number of television and radio affiliates. The majority of televised games are carried via cable on Fox Sports Net. In addition, KTVU, the San Francisco Fox affiliate, will air approximately 40 games in 2004. The Giants also have television broadcast affiliates in Fresno, Eureka, Salinas, Sacramento, Chico and Reno.

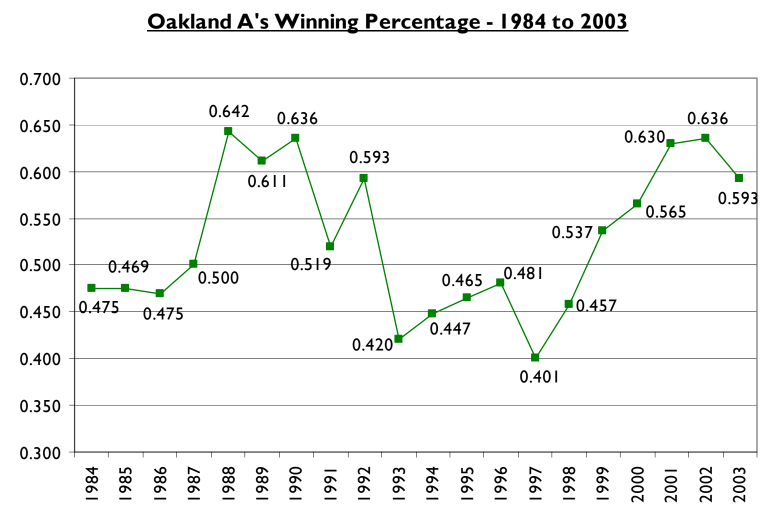
The Giants' radio network consists of 16 affiliates, including KNBR, a San Francisco AM station that serves as the team's flagship station. The remaining 15 radio affiliates include nine stations throughout central and northern California, four in Hawaii, one in Nevada and one in Oregon. In addition to these English-language stations, KZSF will air 27 games broadcast in Spanish in 2004.

According to figures released by MLB, the Giants received a total of approximately $17.2 million in revenues for their local television, radio and cable broadcast rights in 2001.

Athletics Overview

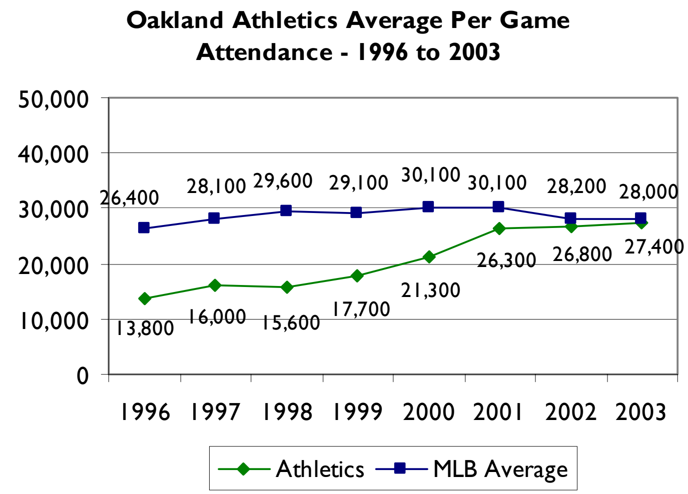
Athletics History

The Athletics franchise was a charter member of the American League in 1901, playing in Philadelphia through the 1954 season, where they won five championships. After playing in Kansas City from 1955 to 1967, the Athletics moved to Oakland, where they have played their home games at the Oakland Coliseum since 1968. The Athletics have made 14 playoff appearances since relocating to Oakland, including six World Series appearances and four championships. This success has continued in recent years, as the Athletics have reached the playoffs in each of the past four seasons. The chart on the right presents the Athletics' winning percentage over the past 20 seasons. As shown, the Athletics experienced periods of success in the late 1980's through the early 1990's, as well as the late 1990's and early 2000's. The franchise's winning percentage over the past 20 years is .528.



Community Support

While the Athletics have reached the playoffs in each of the past four seasons, the team has struggled to translate that on-field success into strong attendance levels. As summarized in the chart to the right, the Athletics' average attendance levels have fallen short of the league average in each of the past eight seasons. However, Athletics attendance has increased each year since 1998, and was within approximately 600 fans per game of the league average in 2003.



Stadium

Network Associates Coliseum opened in 1966 as the home of the AFL Oakland Raiders. The Raiders remained the stadium's only tenant until 1968, when the Athletics relocated from Kansas City. The two franchises shared the facility through the 1981 season, after which the Raiders relocated to Los Angeles. In October 1995, an extensive renovation project was undertaken to accommodate the return of the Raiders for the 1995 season. The $200 million renovation, which was completed in late 1996, included the addition of 22,000 new seats, 90 luxury suites, two private clubs and two new scoreboards. The Coliseum now seats 43,662 for baseball and 63,024 for football, and incorporates a total of 147 suites, approximately 57 of which are marketed for baseball.

While the renovation of the Coliseum enticed the Raiders to return from Los Angeles, they did little to improve the facility's long term potential to continue hosting the Athletics. The suites and seating areas added in the renovation are located in the outfield of the stadium's baseball configuration, and therefore are not desirable for baseball games. As a result, the Athletics are actively pursuing the development of a new baseball-only stadium to ensure the franchise's long-term viability.

Due to the recent trend toward constructing single-tenant stadiums, the Coliseum is now one of only four MLB stadiums that also have a professional football tenant. The Metrodome in Minneapolis and ProPlayer Stadium in Miami each host MLB and NFL franchises, while Skydome in Toronto hosts the MLB Blue Jays as well as a CFL franchise. It should be noted that the Minnesota Twins and the Florida Marlins, the MLB tenants of the Metrodome and ProPlayer Stadium, respectively, are both actively pursuing the construction of new, baseball-only stadiums.

Stadium Lease

In October 1995 the Athletics and the Oakland-Alameda County Coliseum signed a new lease agreement for the Coliseum in order to address issues raised by the return of the Raiders to the facility. The new lease extended from November 1995 through December 31, 2004, with the team having the option to extend the lease for one additional three-year term. In 2002, the Athletics agreed to extend the contract through 2007, and added three one-year team options through 2010.

Under the terms of the original lease, the team was required to make the following annual payments to the Coliseum:

- $250,000 stadium rental fee;
- $100,000 parking lot rental fee;
- $100 for each new club seat purchase;
- 10 percent of net revenues received from the sale of club seats, including tickets; and,
- 50 percent of net revenues in excess of $750,000 per year received from sales of stadium boxes (suites).

In addition to the above payments, the Athletics were required to enact a $0.25 ticket surcharge starting in 1997, with a potential $0.10 increase enacted in 2000 depending on increases in average ticket prices over 1995 levels. Proceeds of the ticket surcharge were to be used to fund stadium improvements.

Under the lease extension, the Athletics pay $500,000 in annual rent from 2003 through 2005, increasing to $550,000 in 2006, $600,000 in 2007 and $700,000 in each of the potential team option years. In addition, the team must pay $0.50 for every ticket sold over two million through the length of the agreement.

Along with the payments outlined above, the Athletics are responsible for certain stadium and game related expenses, including field maintenance, gameday staffing and repair and maintenance of certain team areas.

Local Media

As with the Giants, the majority of televised Athletics games are carried via cable on Fox Sports Net. KICU serves as the team's primary over-the-air television affiliate, airing approximately 40 games in 2004. Athletics games are also aired on KMAX in Sacramento and KAME in Reno, Nevada.

The Athletics have a 23-station radio network, with San Francisco AM station KFRC serving as the flagship. The remainder of the Athletics' radio network consists of 18 stations in central and northern California, two in Nevada, one in Hawaii and one in Oregon.

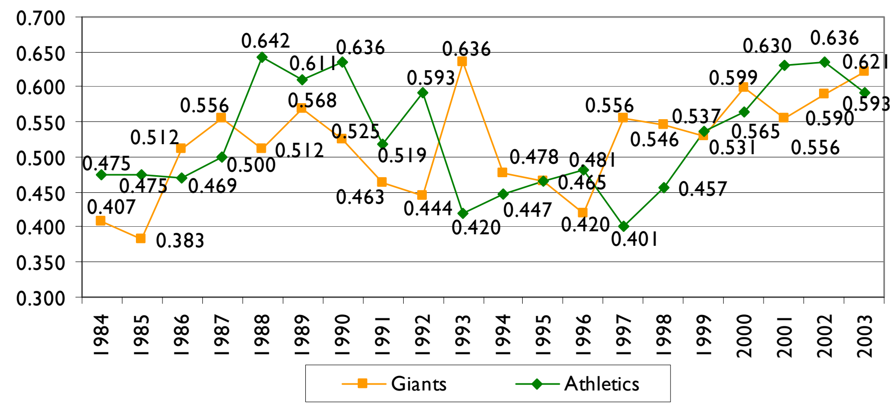
The sale of local television, radio and cable rights to air Athletics games generated approximately $9.5 million for the team in 2001, according to figures released by MLB.

Summary

The chart to the right compares the winning percentages of the Athletics and Giants over the past 20 seasons. Both franchises have experienced periods of success and periods of struggle over the past 20 years. However, both teams have winning cumulative records over that time. Specifically, the Athletics average 20-year winning percentage is approximately .528, while the Giants winning percentage over the same period was .518.

Each franchise has enjoyed notable on-field success in recent years, as both teams have finished with winning records each year since 1999. In that time, the Athletics have reached the postseason four times, while the Giants have made three playoff appearances.

Athletics and Giants Winning Percentage - 1984 to 2003

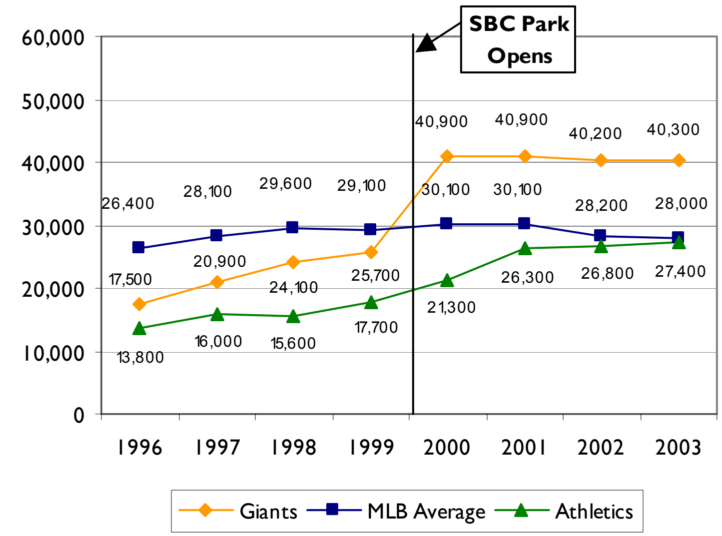


III. Major League Baseball Overview

The chart to the right summarizes average per-game attendance levels at Athletics and Giants games since 1996. As shown, neither franchise drew attendance levels above the league average in the late 1990's. However, since 1999, a period of time when both franchises have maintained winning records, the attendance history of the franchises have taken different paths.

Following the opening of SBC Park, the Giants experienced a dramatic increase in attendance, while the Athletics have continued to draw attendance levels below the league average, despite experiencing moderate increases in average attendance each year since 1999. The dramatic change in the Giants' attendance levels compared to those of the Athletics points to the impact that a new stadium in a prime location, coupled with a winning franchise can have on creating a fan experience and atmosphere that can energize a franchise.

Athletics and Giants Average Per Game Attendance - 1996 to 2003



IV. Major League Baseball in San Jose

The purpose of this section is to develop estimates related to the operations of a MLB franchise in San Jose, including preliminary estimates of the revenues and expenses that could result from franchise operations. Because potential facility design and configuration estimates have not yet been completed and a detailed market analysis has not been performed, the assumptions used in this analysis are based on industry trends, knowledge of the marketplace and financial results from comparable franchises and facilities. For purposes of this analysis it is assumed that San Jose would secure a MLB franchise through the relocation of the Athletics franchise or, if the Athletics were to leave the market, through the relocation of an existing team or an expansion franchise. Further, because San Jose currently lacks a facility capable of accommodating a MLB franchise, it is assumed that a new ballpark would need to be constructed. Therefore, the estimates developed in this section are based on an MLB franchise playing in a new state-of-the-art ballpark in San Jose. The estimates in this section are presented in current year dollars, allowing for accurate comparisons with current MLB franchises.

This presentation is designed to assist the Task Force in estimating the financial and operational attributes of a potential MLB franchise and ballpark and cannot be considered to be a presentation of expected future results. Accordingly, this analysis may not be useful for any other purpose. The assumptions disclosed herein are not all inclusive, but are those deemed to be significant; however, there will be differences between estimated and actual results and these differences may be material.

Estimated Revenues

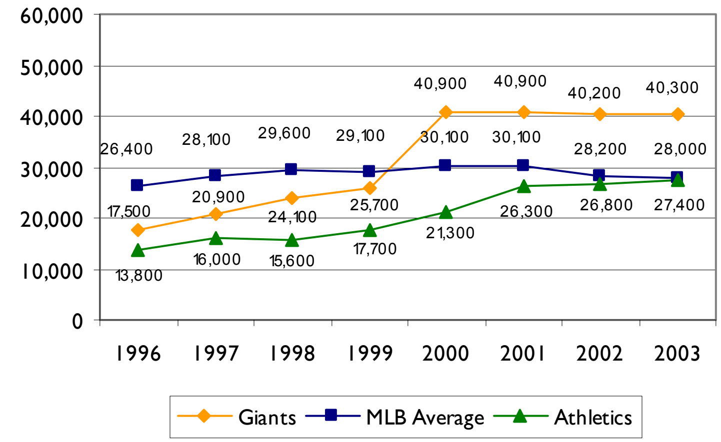
MLB franchises derive local revenues through ticket sales, concessions and merchandise sales, parking fees, premium seating, advertising, naming rights and other such revenue streams, in addition to national revenues from sources such as national broadcast contracts, MLB properties, revenue sharing and other such sources. This section summarizes the estimates for each major potential revenue source, identifying revenues that could be derived from the operations of a franchise and ballpark in San Jose.

Gate Receipts

Gate receipts typically represent the largest share of an MLB franchise's operating revenues. Total gate receipts are a function of attendance and the average ticket prices. Therefore, the purpose of the following analyses is to develop estimates of attendance and ticket price levels that could be achieved by an MLB franchise at a new ballpark in San Jose.

Attendance

Athletics and Giants Average Per Game Attendance - 1996 to 2003



As previously noted, MLB teams drew an average of 28,000 fans per game in 2003, with the Giants drawing 40,300 per game and the Athletics averaging 27,400 fans per game. Franchises playing in new ballparks have historically drawn higher attendance levels than those playing in older facilities, although this trend has diminished somewhat in recent years due to the relatively low attendance levels achieved by teams playing in new ballparks in cities such as Pittsburgh, Milwaukee, Detroit and Tampa Bay. These examples indicate that a new ballpark alone cannot guarantee success in terms of ticket sales. Other important factors include a strong population base in the market, a successful team on the field and intangible factors such as the team's ability to capture the imagination of the market and local residents' interest in baseball in general.

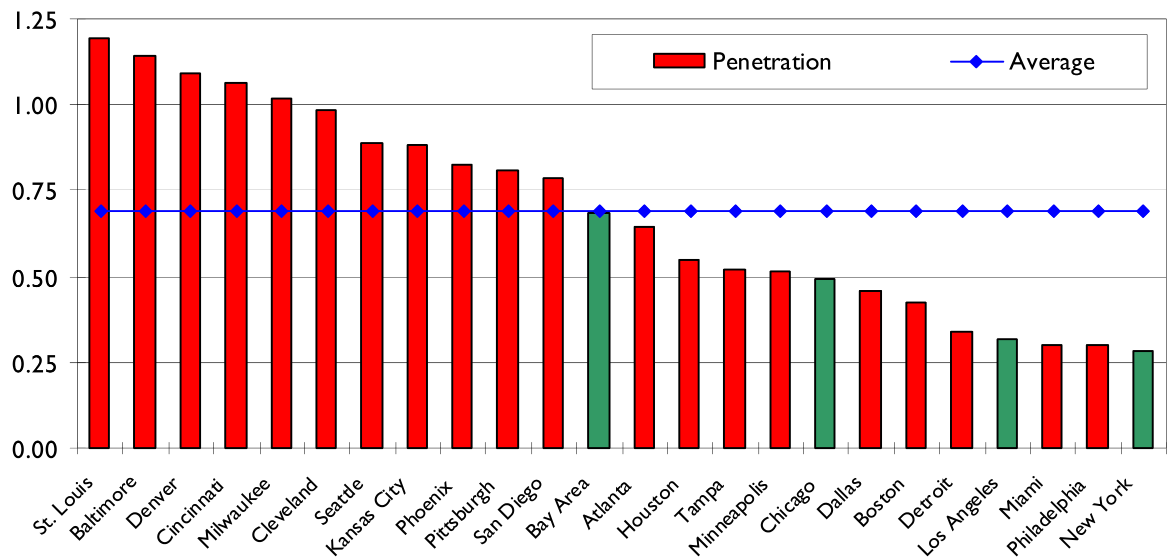
Although teams playing in new ballparks do not necessarily out-draw teams playing in older facilities, teams moving from an old facility to a new ballpark typically experience an increase in attendance at the new facility. A review of attendance patterns of 13 franchises that opened new or extensively renovated between 1990 and 2001 indicated that, on average, attendance levels over the first three years of ballpark operations increased by an average of 24 percent over attendance levels during the last three years of the former ballpark's existence. Just one of the 13 teams, the Colorado Rockies, experienced a decline in attendance, due to the fact that the team moved to a ballpark with a smaller capacity than the former facility. Over the past three seasons, the Athletics have drawn an average of approximately 28,600 fans per game. If the Athletics were to move to a new facility and experience an attendance increase similar to the average of the other 13 franchises analyzed, the team's attendance could increase to approximately 33,300 per game. In comparison, the Giants experienced a 72 percent increase in attendance following the opening of SBC Park. If the Athletics were to realize a similar increase, their attendance could increase to approximately 46,200 per game in a new ballpark.

Effect of New Ballparks on Attendance Levels

Team	Average Attendance: Last 3 Years in Old Ballpark	Average Attendance: First 3 Years in New Ballpark	Percent Increase
MLB Average	28,600	35,500	24%
Giants	23,600	40,700	72%
Athletics 3-Year Average Attendance			26,800
New Ballpark Average Assuming 24% Increase			33,300
New Ballpark Average Assuming 72% Increase			46,200

In addition to the age and quality of a team's ballpark, the population from which the franchise draws its fans is another important indicator of potential attendance levels. In order to assess the impact of market population on attendance, a penetration analysis was conducted. In this analysis, the ratio of annual attendance to the market population of MLB franchises was calculated. As an initial analysis, the total population of each market was compared to the total annual attendance of the market's franchise or franchises. For markets with two MLB franchises, the rate at which the two teams have combined to penetrate the market is shown. The following chart presents the rate to which each MLB market has been penetrated over the past five seasons. Dual team markets are highlighted in green.

5-Year Attendance Penetration
Based on Total Population



Over the past five seasons, the average MLB market was penetrated at a rate of approximately 69 percent of total population. Over the same period, the Giants and Athletics combined to penetrate the Bay Area market at a rate of approximately 68 percent, near the league average. Applying the average penetration ratio to the Bay Area market population of 7.3 million results in total annual attendance of approximately 5.0 million, or approximately 31,000 per game per team. Narrowing the analysis to teams playing in ballparks built or extensively renovated since 1990, the average penetration ratio increases to 73 percent of the total market population. Applying this percentage to the Bay area market population would result in average attendance of 33,100 per team.

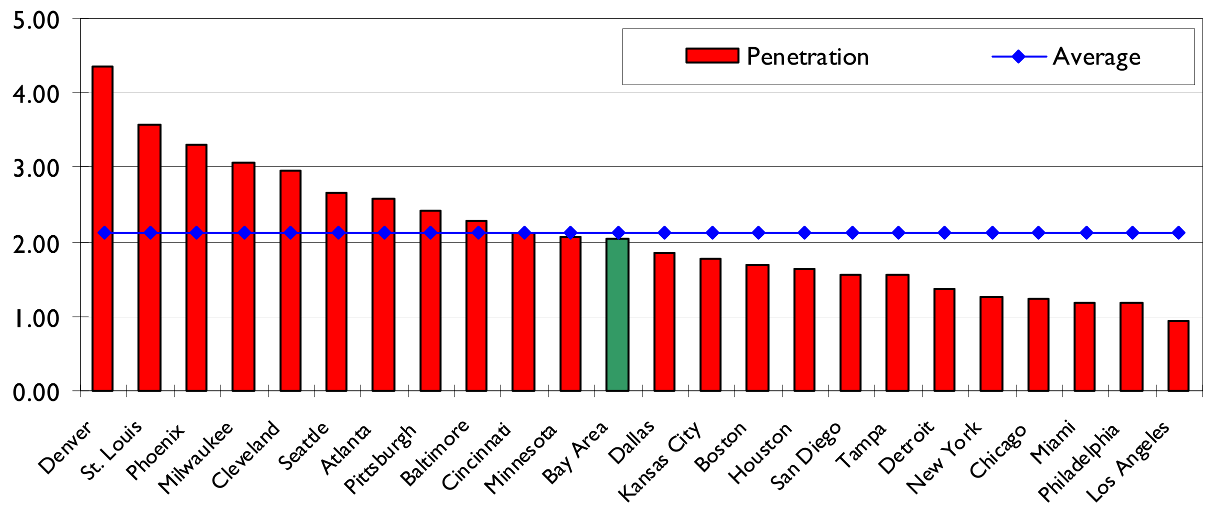
The table to the right compares the rate at which the Athletics and Giants have combined to penetrate the Bay Area market as a whole to the combined penetration ratios of other franchises playing in shared markets. As summarized in the table to the right, the Athletics and Giants collectively drew higher total attendance than the Chicago franchises, but approximately 500,000 fewer attendees than the Los Angeles franchises and approximately 1.1 million fewer than the New York franchises. The Bay Area franchises' combined penetration rate is higher than any of the other pairs of shared market franchises over that period.

Combined Attendance Penetration in Dual Team Markets Based on 5-Year Average Attendance

Market	CMSA Population	Combined Attendance	Combined Penetration
Bay Area (Giants and Athletics)	7,303,300	4,981,200	0.68
Chicago (Cubs and White Sox)	9,382,800	4,638,900	0.49
Los Angeles (Dodgers and Angels)	17,182,400	5,416,200	0.32
New York (Yankees and Mets)	21,566,600	6,079,200	0.28

In order to account for the level of sports competition in the market a second penetration ratio was calculated comparing annual attendance to population per major professional sports franchise in the market. The following chart presents the penetration ratios of each U.S. MLB market in terms of attendance as a percentage of population per franchise.

5-Year Attendance Penetration Based on Population per Major Professional Sports Franchise



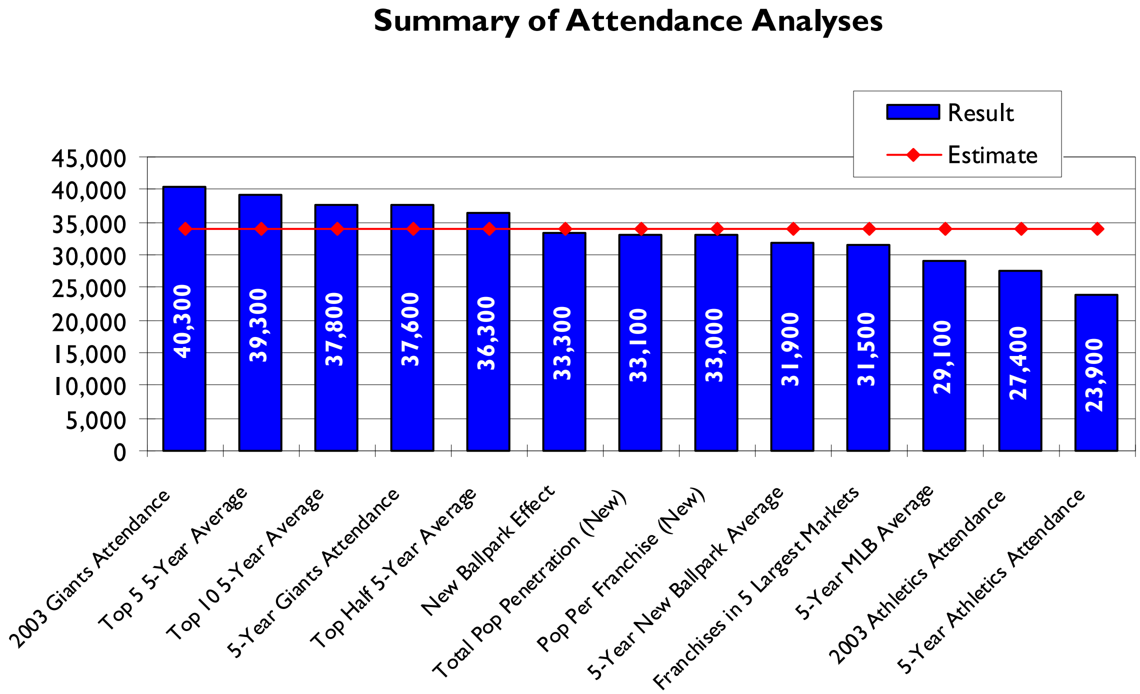
The average MLB market has been penetrated at a rate of 211 percent of the market's population per franchise over the past five years. Over the same period, the Bay Area has been penetrate at a rate of 205 percent of the Bay Area's population per franchise. Applying the league-wide average to the Bay Area's population per franchise would result in total annual attendance of approximately 5.1 million, or 31,800 per team per game. Teams playing in recently built or renovated ballparks have penetrated their respective markets at a rate of 219 percent over the last five years. This penetration ratio would result in average attendance of 33,000 per game per franchise in the Bay Area market. The table to the right summarizes the penetration ratios and resulting Bay Area average attendance levels developed in this analysis.

Attendance Penetration Summary
Based on 5-Year Average Attendance

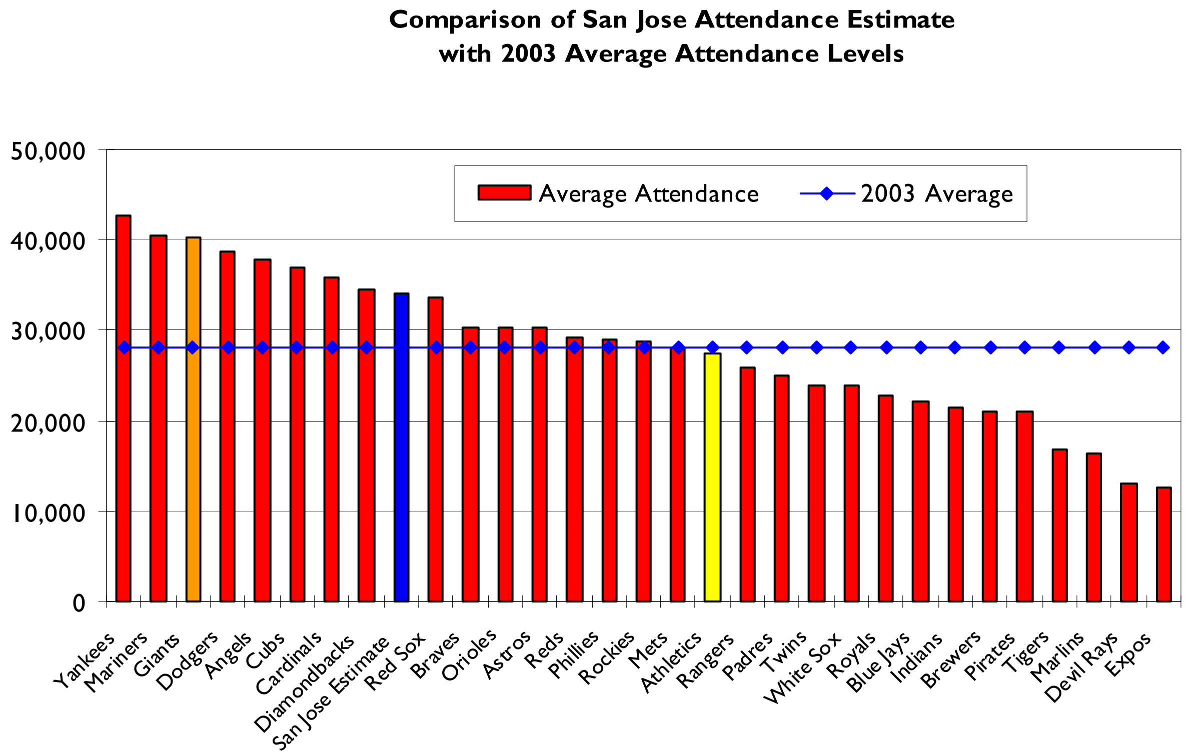
	New Ballparks	All Ballparks
Average Penetration Ratio		
Based on Total Population	0.73	0.69
Based on Population per Franchise	2.19	2.11
Bay Area Market Population	7,303,300	7,303,300
Bay Area Population per Franchise	1,217,200	1,217,200
Estimated Combined Bay Area Annual Attendance		
Based on Total Population	5,357,000	5,023,000
Estimated San Jose Annual Attendance		
Based on Population per Franchise	2,671,000	2,573,000
Estimated San Jose Average Attendance		
Based on Total Population	33,100	31,000
Based on Population per Franchise	33,000	31,800

As an additional point of reference, a number of additional analyses related to historical average MLB attendance levels were conducted. The nine franchises playing in the five largest MLB markets (New York, Los Angeles, Chicago, the Bay Area and Philadelphia) have drawn an average of 31,500 fans per game over the past five seasons. The top five teams in terms of five-year attendance have drawn an average of 39,300 fans per game, while the top 10 have averaged 37,800. The league's top 15 teams in terms of five-year attendance have drawn average attendance levels of approximately 36,300 per game, while teams playing in new ballparks have averaged 31,900 fans per game.

The chart on the following page summarizes the results of various analyses performed to derive an estimate as to potential attendance levels for a MLB franchise playing at a new ballpark in San Jose.

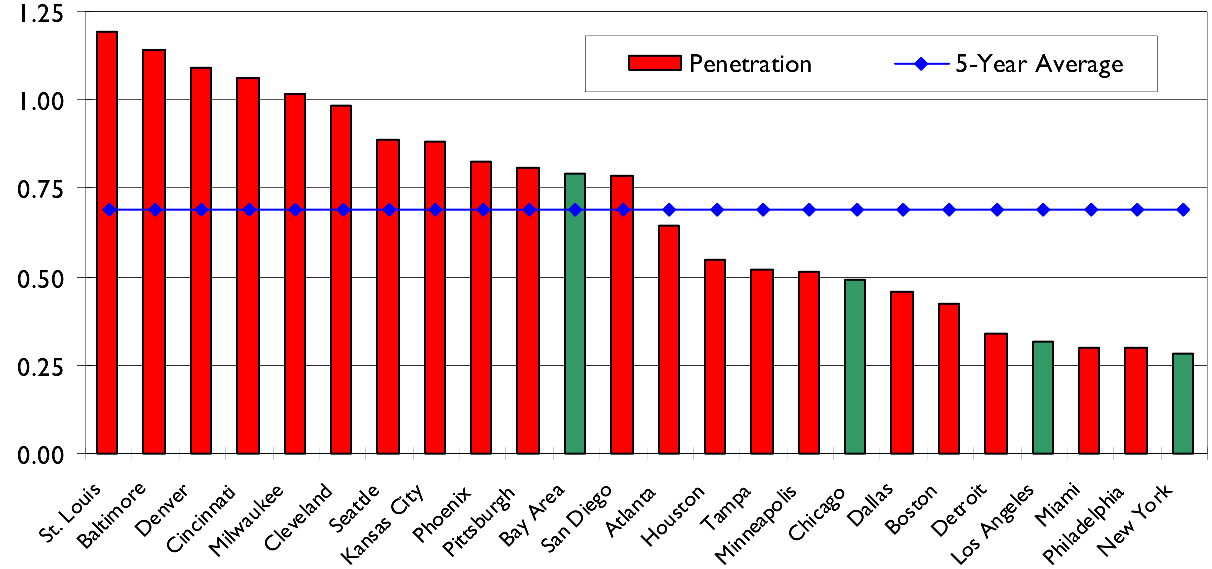


The Athletics' average attendance levels have increased steadily over the past five seasons, from 17,700 per game in 1999 to 27,400 per game in 2003. This attendance increase has been due largely to the on-field success the team has enjoyed in that time. Should a MLB team relocate to a new ballpark in San Jose, it is estimated that average attendance levels will be higher than the Athletics' historical attendance levels due to the presence of a new ballpark and the strong demographic composition of the market in relation to Oakland. While the initial attendance increase may diminish somewhat over time as the "honeymoon" period wears off for the ballpark and franchise, it is assumed that attendance would eventually stabilize at a higher level than is currently achieved in Oakland. Based on the analyses conducted herein, it is estimated that an MLB franchise in San Jose could draw an average of 34,000 fans per game, or approximately 2.75 million per season, after the first few years of operations. The chart on the following page compares this estimate to team-by-team 2003 MLB average attendance levels.



As shown, an attendance level of 34,000 per game would have ranked ninth among MLB teams in 2003. Attendance of 34,000 per game, or approximately 2.75 million per season, would result in a combined penetration ratio of approximately 79 percent of the Bay Area market's population of 7.3 million, assuming the Giants would continue to draw their five year average of 37,600 fans per game, or approximately 3.0 million per season. The following chart compares this penetration ratio with the five year penetration ratios of existing MLB markets.

Comparison of Bay Area Estimated Penetration Ratio with 5-Year MLB Penetration Ratios

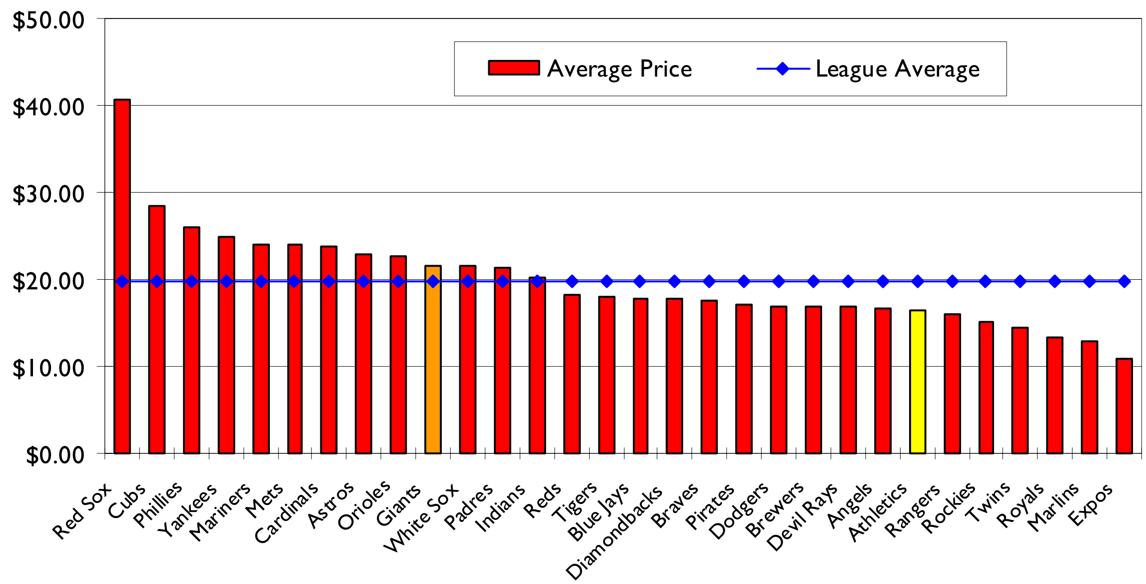


As shown, the Bay Area penetration ratio resulting from a San Jose franchise drawing 2.75 million fans per season would have ranked as the 11th highest penetration ratio among all MLB markets. While this penetration would be the highest among the four multi-team markets, it is within the range of single team markets and is only slightly above the league average. However, it should be noted that attendance for MLB franchises tends to be cyclical based on variations in team performance and other such factors.

Ticket Pricing

Along with attendance levels, the average ticket price is the second component in estimating the gate receipts revenue that could be generated by a MLB franchise in San Jose. As an initial analysis, the 2004 average ticket prices for each MLB team were analyzed. The following chart presents each team's average ticket price excluding premium seating options such as club seats and private suites.

2004 Average Ticket Prices



As summarized in the table to the right, the average MLB ticket price in 2004, excluding premium seating, approximates $19.82. In the past, recently-built ballparks tended to exhibit higher ticket prices than older stadiums. However, this trend has not continued over the past two seasons due in part to the struggles of the franchises playing in new ballparks in the aforementioned cities. In addition, the teams with three of the four highest ticket prices in MLB in 2004 (the Red Sox, Cubs and Yankees) play in older stadiums, but are able to charge premium prices due to their market sizes, the on-field success of their teams and the allure of their historic ballparks.

MLB Average Ticket Price Summary - 2004

	All Ballparks	New Ballparks (1)
MLB High	$40.77	$26.08
MLB Median	17.89	18.04
MLB Average	19.82	19.46
MLB Low	10.82	15.10
San Francisco Giants	$22.88	
Rank (of 30)	8	
Oakland Athletics	$16.08	
Rank (of 30)	25	

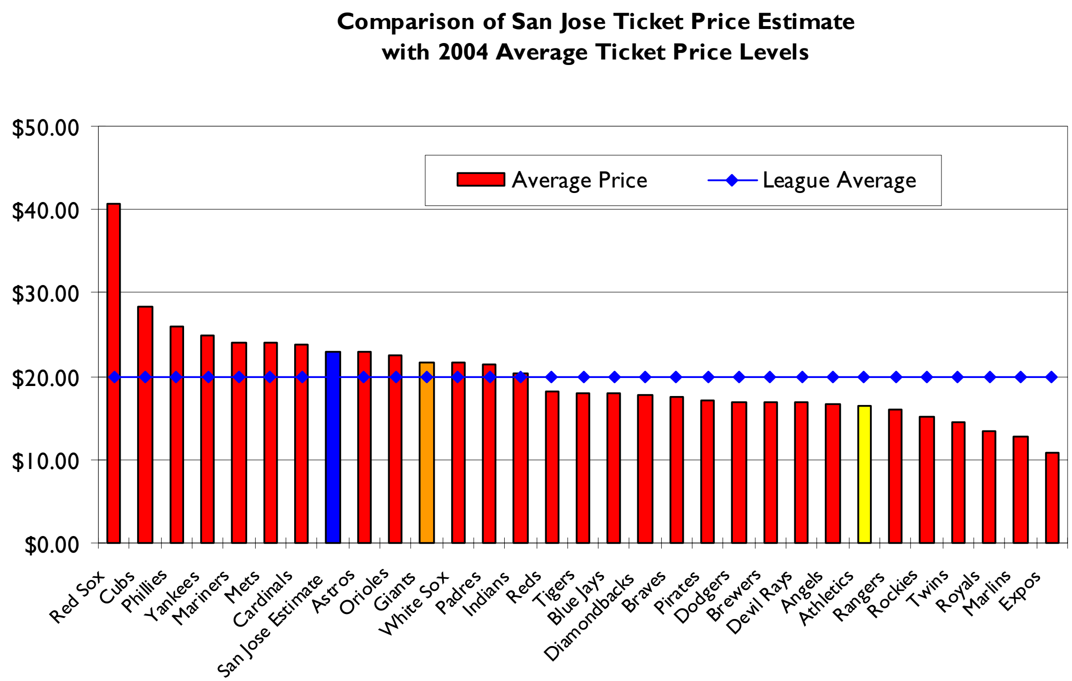
(1) Ballparks built or extensively renovated since 1990.
Source: Team Marketing Report.

While new ballparks as a whole do not necessarily exhibit higher ticket price levels than older facilities, average ticket prices generally increase when a team moves from an older facility to a new or renovated ballpark. While ticket price increases account for a portion of the overall price increase, the configuration of a new ballpark with a higher proportion of seats located in prime seating areas also impacts the average ticket price in new ballparks. The last five MLB teams to move to new ballparks each increased their average ticket prices at the new facility, by an average of approximately 38 percent. The Giants' average ticket price increased from $12.12 in the final season at 3Com Park to $21.24 in their first season at SBC Park, an increase of 75 percent. Applying the five-team average percentage increase to the Athletics current average ticket price of $16.08 would result in an average price of approximately $22.71 at a new ballpark, while the Giants' percent increase would result in an average ticket price of $28.14 at a new ballpark in San Jose.

The Athletics current average ticket price of $16.08 ranks 25th among the 30 MLB franchises. Athletics ticket prices have increased by an average of approximately 10 percent per season since 1999. Should this trend continue, the average ticket price would exceed $20.00 by the 2007 season. In comparison to Oakland, the San Jose market exhibits stronger demographics in areas such as median household income, which may indicate a stronger propensity of the San Jose market to support higher ticket prices than the Athletics are currently able to charge. Based on the demographic strength of the San Jose market and the anticipated price increase resulting from a move to a new ballpark, it is assumed that an MLB franchise in San Jose could charge an average ticket price similar to the prices charged by the Giants. For purposes of this analysis, it is assumed that the average ticket price for a MLB franchise at a new ballpark in San Jose could approximate $23.00 per game, excluding premium seating. The chart on the following page compares this estimated average ticket price with the 2004 average price of existing MLB franchises.

Effect of New Ballparks on Average Ticket Price

Team	Average Ticket Price: Last Year in Old Ballpark	Average Ticket Price: First Year in New Ballpark	Percent Increase
MLB Average	$14.73	$20.29	38%
Giants	$12.12	$21.24	75%
Athletics 2004 Average Ticket Price			$16.49
New Ballpark Average Assuming 38% Increase			$22.71
New Ballpark Average Assuming 75% Increase			$28.90
Estimated San Jose Average Ticket Price			$23.00



As shown, a $23.00 average ticket price would rank eighth among MLB teams in 2004, and would be generally consistent with the Giants' current average ticket price.

Gate Receipts Summary

Based on the analyses completed herein, it is estimated that an MLB franchise in San Jose could draw an average attendance of approximately 34,000, or approximately 2.75 million over the course of 81 home games. Based on the premium seating estimates detailed below, the average attendance estimate includes approximately 970 suite seats and 4,500 club seats, leaving a total of approximately 28,530 general tickets sold per game. The price of these non-premium tickets is assumed to average approximately $23.00. Based on these estimates, it is estimated that a MLB franchise in San Jose could generate approximately $53.1 million in annual non-premium gate receipts.

Gate Receipt Revenue Assumptions

Average General Seating Attendance	Average Ticket Price	Estimated Annual Gate Receipt Revenue
28,530	$23.00	$53,128,000

Premium Seating

As noted previously, premium seating, including private suites and club seats, has become an important source of revenue for franchises playing in newly constructed stadiums. Due to the high costs associated with leasing private suites, they are generally marketed primarily to corporations. Similarly, club seats typically sell at higher prices than general seats, and therefore tend to be purchased by corporations and individuals with relatively high income levels.

As a means of assessing the ability of the Bay area market in general and the San Jose market in particular to support additional premium seating at a new ballpark, penetration analyses were performed to compare the ratio of corporations and high income individuals to existing premium seating options in the market with the ratios of other markets currently supporting a franchise in at least one of the four major U.S. sports leagues (MLB, NFL, NBA and NHL). Three separate ratio comparisons were made as part of this analysis:

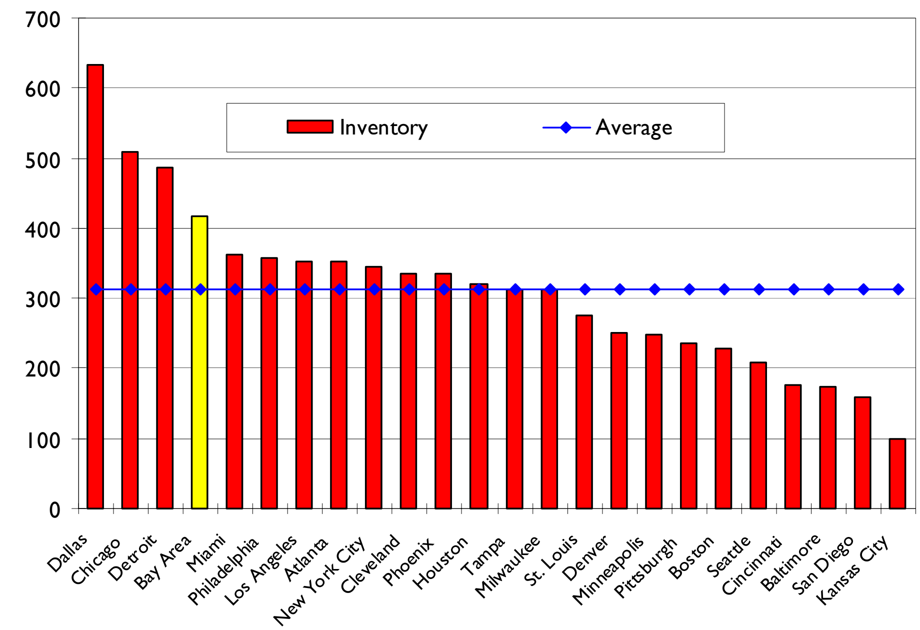
- Corporate inventory to suite inventory,
- Corporate inventory to club seat inventory; and,
- High income household inventory to club seat inventory.

For purposes of this analysis, corporate inventory is defined as the number of corporate headquarters with at least 25 employees and $5 million in annual sales and corporate branches with at least 25 employees. High income households are defined as households with annual effective buying income (EBI) exceeding $50,000. The suite and club seat inventories represent total suites and club seats located at MLB, NFL, NBA and NHL facilities within the market. The chart on the following page presents a comparison of total suite inventories at MLB, NFL, NBA and NHL facilities in each MLB market.

IV. Major League Baseball In San Jose

As shown in the chart to the right, the average MLB market incorporates a total of 312 suites at major sports facilities. The Bay Area's suite inventory of 418 ranks fourth among MLB markets. The Bay Area's relatively high suite inventory is partially due to the presence of two NFL stadiums, which typically incorporate a large number of suites.

Suite Inventories in MLB Markets



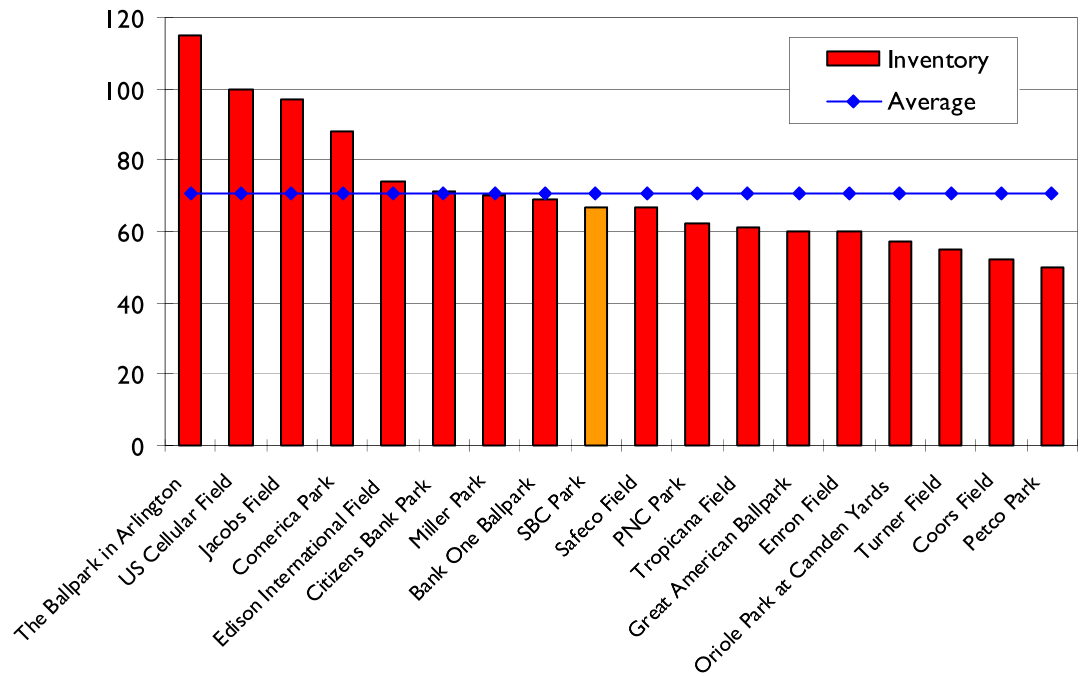
Penetration Summary
Professional Sports Markets

	Ratio of Corporations to Suites	Ratio of Corporations to Club Seats	Ratio of High Inc. HH's to Club Seats
High	136.2	8.03	783
Median	24.3	0.57	48
Average	32.5	1.17	108
Low	7.9	0.17	12
SJ/SF/Oakland	28.5	0.50	60
Rank (of 39)	16	21	18
San Jose	57.9	1.10	107
Rank (of 41)	6	13	13
San Francisco	27.8	0.49	52
Rank (of 41)	17	22	20
Oakland	20.2	0.34	36
Rank (of 41)	27	31	26

The table to the left summarizes the results of the various penetration analyses conducted. As shown, the Bay area market as a whole generally ranks near the median in each of the penetration ratios calculated for this analysis. The San Jose market itself ranks well above the medians in each of the ratios calculated. This is due to the market's relatively strong corporate market and household income levels, as well as the fact that the HP Pavilion is the only major league sports facility in the San Jose market. However, it should be noted that several San Jose area corporations currently support professional sports franchises outside of the San Jose area.

The following chart summarizes private suite inventories at 18 MLB ballparks that have been constructed or extensively renovated since 1992.

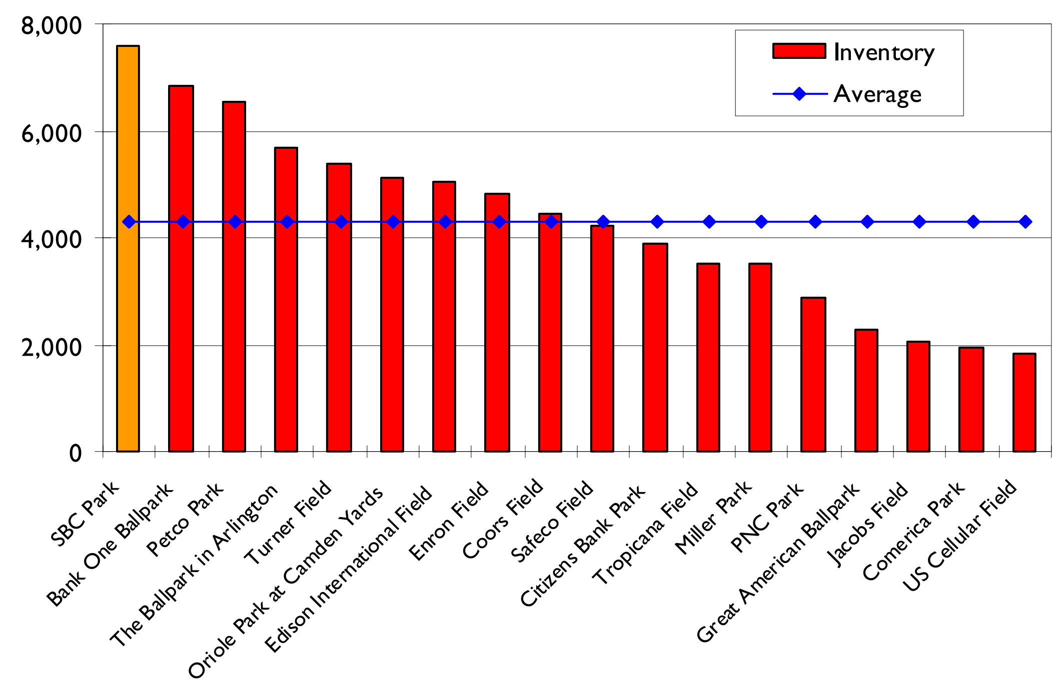
Suite Inventories at Recently Built MLB Ballparks



As summarized in the table, the average new MLB ballpark incorporates 71 suites. The average annual lease price of suites in new MLB ballparks is approximately $110,000, resulting in average potential annual revenue of $7.8 million. In comparison, SBC Park in San Francisco incorporates 68 suites and offered prices ranging from $65,000 to $115,000 upon the opening of the ballpark. In addition to the annual purchase price, SBC Park suite purchasers were required to pay a significant one-time upfront fee.

The following chart compares the club seat inventories of recently built or renovated MLB ballparks.

Club Seat Inventories at Recently Built MLB Ballparks



The average recently built MLB ballpark incorporates approximately 4,300 club seats with an average annual price of $3,600, with average annual club seat revenue approximating $16.2 million. SBC Park has the highest club seat inventory among the ballparks analyzed with a total of 7,590 club seats with an average price of approximately $4,600 per season, for a total potential revenue level of approximately $34.9 million.

IV. Major League Baseball In San Jose

The HP Pavilion is the only professional sports facility offering premium seating in San Jose. The Pavilion has a total of 65 suites with an average annual lease fee of approximately $140,000, which includes tickets to all Sharks home games and most other events held at the arena. In addition to suites, the Pavilion offers 3,419 club seats sold at an average annual price of $3,400, which includes tickets to all Sharks home games and the first right of refusal to purchase tickets to other events held at the arena.

Premium Seating Summary

For purposes of this analysis, it is estimated that a new ballpark in San Jose could support premium seating inventories similar to those in other markets hosting recently built ballparks. Therefore, for purposes of this analysis, it is estimated that a new ballpark in San Jose could support 64 suites with an average annual price of approximately $115,000 and 5,000 club seats priced at approximately $4,500 per season. These inventories and levels would result in total potential annual revenue of approximately $29.9 million, approximately $6.9 million higher than the average of the 18 ballparks constructed or extensively renovated since 1990, but significantly lower than the Giants' premium seating revenue at SBC Park. This reflects the fact that the Giants have established a strong presence in the premium seating market and may currently attract premium seating patrons that may otherwise be accommodated in San Jose. Assuming that 95 percent of available suites and 90 percent of available club seats are sold, actual premium seating at a new MLB ballpark is estimated to total approximately $27.2 million.

Premium Seating Revenue Assumptions

Seating Type	Inventory	Average Annual Price	Occupancy Percentage	Estimated Annual Premium Seating Revenue
Suites	64	$115,000	95%	$6,992,000
Club Seats	5,000	4,500	90%	20,250,000
Total Premium Seating Revenue				$27,242,000

Gate Receipts and Premium Seating Summary

Because club seat revenues are often considered to be a part of gate receipt revenue, for purposes of this analysis gross club seat revenues have been included in the gate receipts line item of the estimated cash flows. The table to the right summarizes total gate receipt and suite revenue after factoring club seat revenues into gate receipts.

Gate Receipt and Suite Revenue Summary

Seating Type	Estimated Annual Revenue
General Seating	$53,128,000
Club Seats	20,250,000
Total Gate Receipts	$73,378,000
Suites	$6,992,000

Concessions, Catering & Merchandise

In recent years, MLB ballpark, particularly new facilities, have begun incorporating a variety of upscale and branded food and beverage options in addition to standard ballpark fare. This trend has allowed teams to generate increasing per capita spending through higher prices, products and additional sales. Based on spending levels experienced at existing recently-built ballparks, it is estimated that per capita spending levels at a new ballpark in San Jose could approximate $9.00 in the general seating areas. Club seat patrons generally exhibit higher spending patterns than general admission attendees due to the additional food and beverage options available to club seat holders. Therefore, per capita spending among club seat holders is estimated to approximate $12.00. In addition to concession sales, it is assumed that catering would be available to suite holders. Based on past results at existing stadiums, it is estimated that approximately $40.00 per suite patron would be spent on catering. Based on these assumptions, and assuming a 45 percent margin on general concessions and a 25 percent margin on catering, net revenue from concessions is estimated to total approximately $10.3 million per year, while in-stadium catering revenue is estimated at approximately $741,000 per year.

As is the case with concessions, merchandise sales are often enhanced at new ballparks due to increased points of sale and product selection. For purposes of this analysis, it is estimated that attendees at MLB games at a new ballpark in San Jose would spend an average of $1.50 per capita on merchandise. Assuming a 40 percent margin, this level of spending would result in net merchandise revenues of approximately $1.5 million per season.

Concessions, Catering & Merchandise Revenue Assumptions

	Per Capita Spending				Estimated
	General	Club Seats	Suites	Profit Margin	Annual Net Revenue
Concessions	$9.00	$12.00	n/a	45%	$10,332,000
Catering	n/a	n/a	$40.00	25%	741,000
Merchandise	$1.50	$1.50	$1.50	40%	1,520,000
Total Estimated Annual Revenue					$12,593,000

Advertising, Sponsorships & Naming Rights

Stadium advertising and various team-related sponsorships can be major sources of revenue for a team and stadium. As noted in the demographic section, the San Jose market has a relatively strong corporate base, which could indicate that the market could generate strong advertising and sponsorships revenues. The construction of a new ballpark and the addition of a new major sports franchise in San Jose could attract interest from corporations seeking to capitalize on the excitement the ballpark and franchise would attract from local residents. Therefore, it is estimated that an MLB franchise in San Jose would be able to generate advertising and sponsorship revenues similar to other franchises that have constructed new facilities in recent years. For purposes of this analysis, advertising and sponsorship revenues generated by a MLB franchise and ballpark in San Jose are estimated to approximate $15.0 million per year.

Naming rights represent another potential source of revenue for a MLB ballpark and franchise in San Jose. Many ballparks and other sports facilities have generated significant revenues through the sale of facility naming rights. Under a naming rights agreement, a corporation typically makes a specified annual payment in exchange for the corporation's name being attached to the facility. In addition, the corporate partner often receives added amenities, such as a private suite, event tickets, arena signage and broadcast advertising. The table to the right summarizes several recent MLB naming rights agreements. As shown in the table, the 14 naming rights agreements analyzed generate an average of $2.3 million per year over an average of 24 years.

Recent MLB Naming Rights Deals

Facility	Tenant(s)	Year Built	Total Contract ($millions)	Term (Years)	Estimated Annual Payment ($millions)
Minute Maid Park	Houston Astros	2000	$170.0	28	$6.07
US Cellular Field	Chicago White Sox	1991	60.0	20	3.00
Petco Park	San Diego Padres	2004	60.0	22	2.73
Edison International Field	Anaheim Angels	1998	50.0	20	2.50
Great American Ballpark	Cincinnati Reds	2003	75.0	30	2.50
Citizens Bank Park	Philadelphia Phillies	2004	57.5	25	2.30
Comerica Park	Detroit Tigers	2000	66.0	30	2.20
SBC Park	San Francisco Giants	2000	50.0	24	2.08
Miller Park	Milwaukee Brewers	2001	41.0	20	2.05
Safeco Field	Seattle Mariners	1999	40.0	20	2.00
Coors Field	Colorado Rockies	1995	15.0	10	1.50
PNC Park	Pittsburgh Pirates	2001	30.0	20	1.50
Bank One Ballpark	Arizona Diamondbacks	1998	33.1	30	1.10
Tropicana Field	Tampa Bay Devil Rays	1998	30.0	30	1.00
Average			**$55.5**	**24**	**$2.3**

Source: Revenues from Sports Venues (2004), Team Marketing Report

As reported by Revenues from Sports Venues, San Jose's current major professional sports venue, the HP Pavilion was able to reach a naming rights agreement valued at approximately $72.0 million over 18 years, or approximately $4.0 million per year. The $72 million total value ranks third highest among current naming rights agreements for NHL-only facilities. The $4.0 million average annual value of the agreement is tied with the Gaylord Entertainment Center for the highest annual value among NHL-only naming rights agreements, ranking ahead of agreements for arenas in markets such as St. Louis, Minneapolis and Tampa.

It is assumed that a ballpark in San Jose could benefit from its close proximity to the Silicon Valley, as the region is the home of several major corporations that could represent potential naming rights partners. As noted previously, HP Pavilion was successful in reaching a naming rights agreement with a high value relative to other NHL-only facilities. Based on these and other factors, it is assumed that a new ballpark in San Jose could attract a naming rights partner, generating annual revenues of $3.0 million, which is slightly higher than the average of recent MLB naming rights agreements. It should be noted that it is often difficult to establish the stand alone value of a facility's naming rights as advertising, sponsorship and naming rights are often packaged together. For purposes of this analysis, advertising, sponsorship and naming rights revenues have been combined and are estimated to total approximately $18.0 million.

Advertising, Sponsorship & Naming Rights Revenue Assumptions

Estimated Annual Revenue
$18,000,000

Parking

Because a potential ballpark site has not been specified, it is difficult to assess the amount of space that will be available for on-site parking. Due to the uncertainty surrounding the availability of parking and the extent to which the team would be able to capture parking revenue generated by its games, no parking revenue has been included in this analysis.

Local Broadcast Revenues

According to figures released by MLB, the average franchise generated approximately $19.0 million in local television, radio and cable broadcast rights in 2001, while the median franchise generated $16.4 million from these sources. The Athletics and Giants generated approximately $9.5 million and $12.4 million in local broadcast revenues, respectively. For purposes of this analysis, it is estimated that an MLB franchise could generate higher local broadcast levels in San Jose than were generated in Oakland in 2001 due to the increasing success and popularity of the team in recent years and the potential new viewership that could be reached in the south Bay Area. Local broadcast revenues are estimated at approximately $17.5 million per year.

Local Broadcast Revenue Assumpations

Estimated Annual Revenue
$17,500,000

National Revenues

Each MLB team receives a significant amount of revenue from national sources such as league-wide television contracts, MLB Properties and other such sources. Total national revenues are estimated to approximate $20.0 million per year.

National Revenue Assumptions
Estimated Annual Revenue
$20,000,000

Other Revenues

In addition to the revenues discussed above, a MLB ballpark and franchise in San Jose could generate a number of additional miscellaneous stadium-related revenue streams from various sources such as stadium tours, ballpark rentals, retail rental and other such sources. In addition, MLB teams derive revenue from additional team-related sources such as spring training ticket sales, MLB Advanced Media and other such revenues. These miscellaneous stadium and team-related revenues are estimated to total approximately $4.0 million per year.

Other Revenue Assumptions
Estimated Annual Revenue
$4,025,000

Estimated Expenses

The expenses associated with bringing MLB to San Jose can be classified in terms of team expenses and ballpark expenses. The following are estimates of the expenses that could be incurred related to the operations of a MLB ballpark and franchise in San Jose.

Team Expenses

Typically, player salaries represent the largest expense for a MLB franchise. Other major team related expenses include baseball operations, minor league operations, marketing, administration and other such expenses. As noted previously, the average MLB franchise payroll approximates $69 million in 2004. The Athletics' payroll has increased at an annual rate of approximately 17 percent since 2000, reaching $59.4 million in 2004. Because team payrolls are dependent on the ability and willingness of team ownership to spend money on players, it is difficult to estimate the future payroll levels of a MLB franchise in San Jose. Therefore, payroll estimates have not been included in this section, but will be discussed in relation to ballpark funding in the following section.

Team-related expenses for a MLB franchise playing at a new ballpark in San Jose are estimated to total approximately $50.0 million, not including team payroll, real estate taxes or capital improvement.

Ballpark Expenses

In addition to team expenses, ballpark operations generate significant annual expenses. Major ballpark related expenses typically include utilities, repair, maintenance, cleaning, field maintenance and other such expenses. Total expenses related to the operations of a new ballpark in San Jose are estimated to total approximately $9.9 million per year, while gameday expenses are estimated at an additional $4.1 million per year. For purposes of this analysis, it has been assumed that the team would be responsible for ballpark operating expenses.

Summary

Based on the estimates and assumptions detailed herein, the table on the right summarizes the estimated revenues and expenses associated with a MLB franchise and ballpark in San Jose. As shown, total revenues are estimated to approximate $152.6 million per year. As a means of comparison, according to figures released by MLB, the Athletics generated approximately $75.5 million in total revenue in 2001, while the Giants generated approximately $170.3 million.

Annual expenses for a MLB franchise in San Jose are estimated at approximately $64.0 million, not including team payroll, real estate taxes or capital improvements. These revenue and expense levels would result in approximately $88.6 million in cash available for revenue sharing, team payroll, debt service and team profit.

Summary of Revenue and Expense Estimates

Revenues	
Gate Receipts (incl. Club Seats)	$73,400,000
National Revenues	20,000,000
Advertising, Sponsorships & Naming Rights	18,000,000
Local Broadcast Revenues	17,500,000
Concessions, Catering & Merchandise (net)	12,600,000
Private Suites	7,000,000
Other Revenues	4,100,000
Total Revenues	$152,600,000
Expenses	
Team Expenses	$50,000,000
Ballpark & Gameday Expenses	14,000,000
Total Expenses	$64,000,000
Cash Available for Payroll, Debt Service & Team Profit	**$88,600,000**

It should be noted that the financial estimates presented herein are based primarily on results experienced by other MLB teams playing in new ballparks, and are not based on a detailed market study. In addition, the estimates do not include any property taxes, capital improvement contributions or potential revenue sharing contributions or disbursements. While the Athletics currently receive annual disbursements from the revenue sharing pool due to their relatively low revenue levels, the additional revenues generated at a new ballpark would likely cause an MLB franchise playing at a new ballpark in San Jose to be required to pay into the revenue sharing pool. This will be addressed further in the ballpark funding section that follows.

V. Funding Analysis

San Jose currently lacks a facility capable of accommodating a MLB franchise. Therefore, in order to attract a franchise to the City, construction of a new ballpark would be required. The financing structures for the vast majority of new MLB ballparks constructed in recent years have required significant public sector contributions. Therefore, it is likely that the City, Santa Clara County, and/or another public entity would need to assist in the funding of a new MLB facility. The purpose of this section is to provide information on the mechanisms used to fund the construction of MLB ballparks in recent years, and to assess preliminary funding options for a potential ballpark in San Jose.

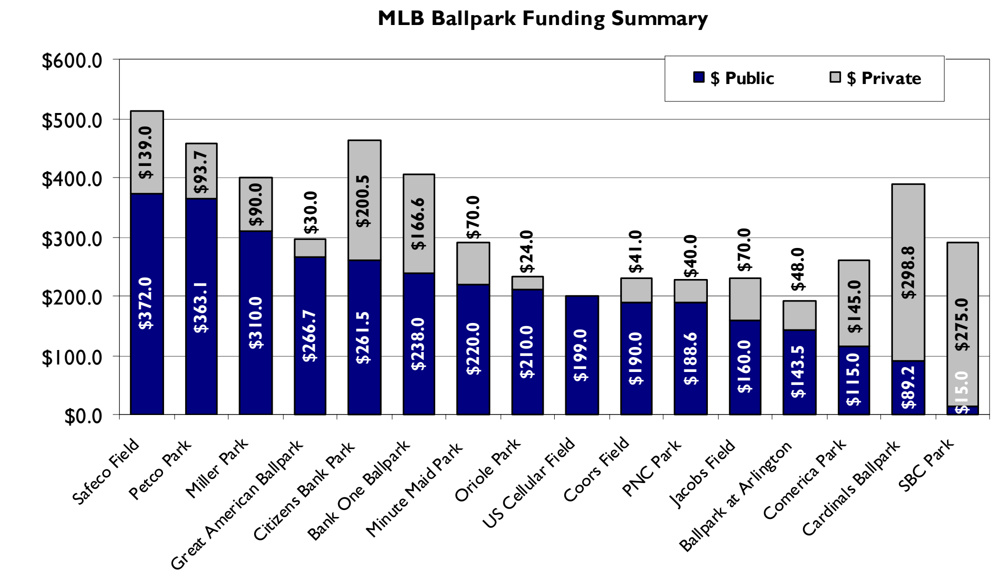
Comparable Facility Funding

In order to identify trends in recent MLB ballpark construction, the funding of 16 facilities built since 1990 was analyzed, along with the funding plan for the St. Louis Cardinals ballpark opening in 2006. It should be noted that the stadium costs presented herein represent total project costs, which include costs related to stadium construction as well as land acquisition, site preparation, architectural fees and all other costs related to ballpark development.

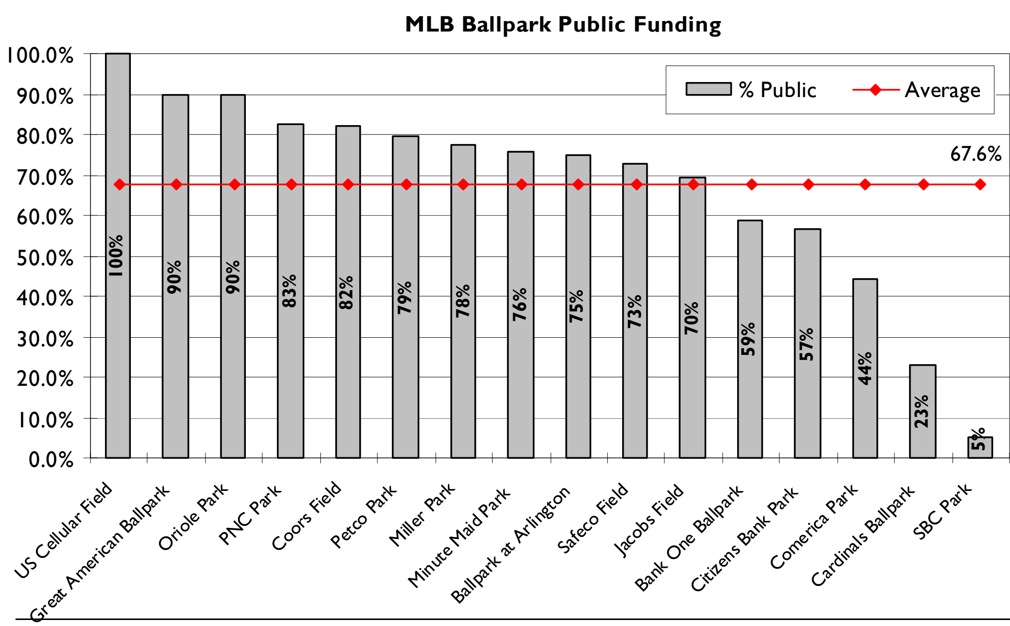
The average total project cost of the ballparks analyzed was approximately \$314 million. If all costs are converted to 2004 dollars using the 10-year average CPI index, the average project cost for these stadiums increases to approximately \$347 million. Focusing on the most recently completed ballparks, Petco Park in San Diego was built for a reported cost of approximately \$456.8 million, Citizens Bank Park in Philadelphia had a total estimated project cost of \$462.0 million and the new Cardinals ballpark has an anticipated project cost of \$388.0 million. It should be noted that the Cardinals ballpark is being built on the site of the current stadium, resulting in minimal land acquisition costs. The chart on the following page summarizes the total public and private contributions to the funding of the ballparks analyzed.

V. Funding Analysis

An average of $209 million, or 68 percent of the development costs of the ballparks analyzed was publicly funded. Only three of the 16 facilities were financed with more private than public investment: SBC Park in San Francisco, Comerica Park in Detroit and the new St. Louis Cardinals ballpark. As shown, approximately $372.0 million in public funds were used to construct Safeco Field in Seattle, the largest public investment of any of the ballparks analyzed. SBC Park in San Francisco utilized $15.0 million in public funds, the smallest public portion of the funding structures analyzed.



Note: Turner Field is excluded as the original stadium was funded by the Atlanta Committee for the Olympic Games



The chart on the left summarizes the same ballpark financing plans based on the percentage of private versus public funds utilized. As shown, the percentage of public funding has ranged from a high of 100 percent at US Cellular Field in Chicago to a low of five percent at SBC Park in San Francisco. Approximately two-thirds of the cost of the average recently built ballpark was publicly financed. Additional detail on the funding of the ballparks analyzed herein, as well as information on their leases and other ballpark development related information can be found in Appendix 1 following this summary.

V. Funding Analysis

The most common sources of public funding for stadiums are grants or other contributions from states or local municipalities and bonds backed by sales and excise taxes. The chart to the right summarizes markets in which sales or excise tax increases or allocations were used to help finance ballpark construction. As shown, six of the ballparks analyzed were funded through a sales tax increase within the city, county or metropolitan area in which the stadium was constructed, while a seventh facility utilized an allocation of existing sales tax revenues. Several other markets have enacted taxes on lodging, auto rentals and other such purchases to help fund ballpark construction.

Private funding can be derived from a variety of sources including cash contributions by the team, sales of personal seat licenses and premium seating, stadium naming rights, advances from concessionaires and team sponsors and other such sources. Of the 16 ballpark funding plans analyzed, 12 included upfront cash contributions from the tenant MLB team.

MLB Funding
Summary of Sales and Excise Tax Utilization

Ballpark	City	Public Sector	Vehicle
General Sales Tax			
Ballpark in Arlington	Arlington, TX	City of Arlington	0.5% increase
Great American Ballpark	Cincinnati, OH	Hamilton County	0.5% increase
PNC Park	Pittsburgh, PA	Allegheny County	Existing revenues
Miller Park	Milwaukee, WI	Milwaukee & four other counties	0.1% increase
Safeco Field	Seattle, WA	King County	0.5% increase
Bank One Ballpark	Phoenix, AZ	Maricopa County	0.25% increase
Coors Field	Denver, CO	6-County Metro Area	0.1% increase
Lodging Tax			
Miller Park	Milwaukee, WI	Milwaukee & four other counties	1% increase
Minute Maid Park	Houston, TX	Harris County	2% increase
Comerica Park	Detroit, MI	City of Detroit	1% increase
US Cellular Field	Chicago, IL	City of Chicago	2% increase
Petco Park	San Diego, CA	City of San Diego	Existing revenues
Auto Rental Tax			
Comerica Park	Detroit, MI	City of Detroit	2% increase
Minute Maid Park	Houston, TX	Harris County	5% increase
Safeco Field	Seattle, WA	King County	2% increase

As shown in the table on the following page, seven ballparks built since 1990, including the new St. Louis Cardinals stadium that is currently under construction, have sold seat licenses as part of their ballpark funding plans. Seat licenses typically require a one-time up-front payment, which entitles the license holder to purchase season tickets for a particular seat for a certain number of years.

MLB Stadium Development - Seat License Summary
Stadiums Built since 1992

Team	Stadium	Year Completed	PSL's Sold
St. Louis Cardinals	***New Cardinals Ballpark***	***2006***	***Yes***
Philadelphia Phillies	Citizens Bank Park	2004	No
San Diego Padres	***Petco Park***	***2004***	***Yes***
Cincinnati Reds	Great American Ballpark	2003	No
Milwaukee Brewers	Miller Park	2001	No
Pittsburgh Pirates	***PNC Park***	***2001***	***Yes***
Detroit Tigers	Comerica Park	2000	No
Houston Astros	***Minute Maid Park***	***2000***	***Yes***
San Francisco Giants	***SBC Park***	***2000***	***Yes***
Seattle Mariners	***Safeco Field***	***1999***	***Yes***
Arizona Diamondbacks	Bank One Ballpark	1998	No
Atlanta Braves	Turner Field	1997	No
Colorado Rockies	Coors Field	1995	No
Cleveland Indians	Jacobs Field	1994	No
Texas Rangers	***Ballpark at Arlington***	***1994***	***Yes***
Baltimore Orioles	Oriole Park at Camden Yards	1992	No

The table on the right summarizes the seven seat licenses programs enacted at MLB facilities in recent years. As shown in the table, the seven teams analyzed sold an average of 6,100 seat licenses, generating an average of approximately $23.0 million. The median seat license inventory among the seven teams was approximately 3,600, while the median revenue generated was approximately $14.6 million. The Giants implemented the most successful seat license program, selling approximately 15,500 licenses and raising approximately $54.3 million. While this successful seat license campaign could indicate that the Bay Area market would support a similar campaign for a new ballpark in San Jose, it may be difficult to duplicate the Giants' results, as some of the seat licenses for SBC Park may have been purchased by corporations and individuals in the San Jose area, who may be reluctant to purchase additional licenses for a ballpark in San Jose. Further, it is important to note that their sales process took place during the economic boom of the late 1990's in an area dominated by dot-com companies. The economic current situation and potential market in the Bay Area is significantly different from the time when seat licenses were sold at SBC Park.

MLB Seat License Summary
Estimated Revenues

Team	Licenses Sold	Average Fee	Total Estimated Revenue
San Francisco Giants	15,500	$3,500	$54,250,000
St. Louis Cardinals	10,300	4,000	41,200,000
Seattle Mariners	900	19,900	17,910,000
San Diego Padres	5,000	3,200	16,000,000
Houston Astros	2,200	6,000	13,200,000
Texas Rangers	6,700	1,900	12,730,000
Pittsburgh Pirates	2,000	2,700	5,400,000
Average	**6,100**	**$3,800**	**$22,956,000**
Median	**3,600**	**$3,500**	**$14,600,000**

Source: Information provided by teams; industry data.

V. Funding Analysis

Potential San Jose Ballpark Funding

Due to the preliminary nature of this analysis, it is difficult to identify specific potential funding sources for a ballpark in San Jose. Ultimately, ballpark funding will depend on a number of variables such as the investment capabilities of the team's ownership group, availability of state and local tax revenues, the political climate toward public financing of the facility and other such factors.

Team and Stadium Revenues

As detailed in the previous section, it is estimated that the operations of a MLB ballpark and franchise in San Jose could result in approximately $88.6 million available for revenue sharing, team payroll, stadium debt service and team profit. Considering the need for a new ballpark in San Jose to accommodate MLB, the level of operating revenue estimated for a team in San Jose and the public and private funding levels of other recently built ballparks, two facility development scenarios have been developed. The first assumes public funding based on recent ballpark averages. The second assumes a greater level of private funding for the ballpark approximating the level of private funding associated with SBC Park, Citizens Bank Park and the new Cardinals ballpark.

In addition to considering the impact that private funding has on the franchise, the impact on player's salaries has also been presented. In the case of MLB, the ability to attract players and maintain a competitive team is often based on the level of player salaries the team is able to support. As the Athletics have shown over the past few years, franchises are able to field competitive teams at lower payroll levels, but the ability to retain players and provide for a competitive team year after year requires significant commitments to player payroll.

The costs associated with the construction of a MLB ballpark can vary significantly, as evidenced by the wide range in development costs of recently built facilities. The cost of a ballpark in San Jose will depend on several factors, including capacity, level of finish, cost of land acquisition and preparation and other such variables. As noted previously, the two most recently developed MLB ballpark funding plans analyzed had an average total project cost of approximately $467 million. For purposes of this analysis, based on the most recent projects and discussions with industry architects a total project cost of $450 million has been assumed in San Jose. This assumes an allowance for approximately $300 million in hard construction costs and approximately $150 million for soft costs, land acquisition, site preparation and other miscellaneous costs. However, if any of the project components change, these costs could be reduced.

V. Funding Analysis

The two funding scenarios are presented as follows:

<u>Scenario 1</u>

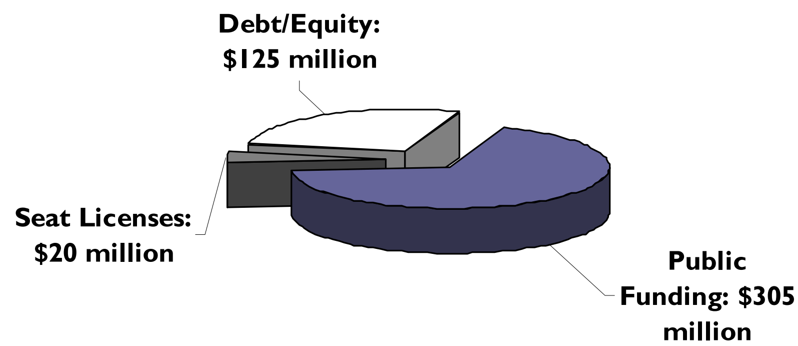
Assumptions:

Stadium Costs	$450 million
Percentage Publicly Funded	67.6 percent
Public Funding (Rounded)	$305 million
Private Funding	$145 million

Private Funding:

PSL's	$20 million
Debt/Equity	$125 million
Estimated Annual Debt Service	$12.7 million

San Jose Ballpark Funding - Scenario 1



<u>Scenario 2</u>

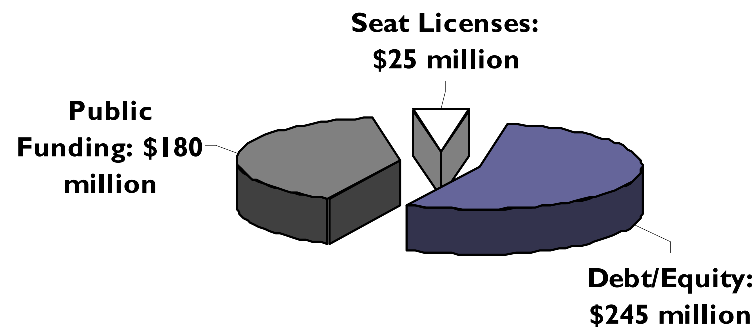
Assumptions:

Stadium Costs	$450 million
Percentage Publicly Funded	40.0 percent
Public Funding (Rounded)	$180 million
Private Funding	$270 million

Private Funding:

PSL's	$25 million
Debt/Equity	$245 million
Estimated Annual Debt Service	$25.0 million

San Jose Ballpark Funding - Scenario 2



V. Funding Analysis

Based on the annual debt service levels resulting from the two funding scenarios and the annual cash flow estimates developed in the previous section, the net cash flows that could be generated by a team in San Jose were estimated for a number of potential annual team payroll levels. The following five potential payroll levels were analyzed:

- 2004 Athletics payroll ($59.5 million);
- 2004 Giants payroll ($82.0 million);
- 2004 average MLB payroll ($69.0 million);
- Average of top 15 MLB 2004 payrolls ($93.2 million); and,
- Average payroll of 2004 playoff teams ($84.6 million).

The following table summaries the estimated net cash flow that could be generated by a team in San Jose, assuming these team payroll levels and the private funding levels presented in Scenarios 1 and 2.

Estimated Net Cash Flow

Payroll Comparison	Estimated Payroll	Estimated Net Cash Flow Scenario 1	Estimated Net Cash Flow Scenario 2
2004 Athletics Payroll	$59,500,000	$16,400,000	$4,200,000
2004 Giants Payroll	82,000,000	(6,100,000)	(18,400,000)
2004 MLB Average	69,000,000	6,900,000	(5,400,000)
Average top 15 payrolls	93,200,000	(17,300,000)	(29,600,000)
Average Postseason Payroll	84,560,000	(8,700,000)	(20,900,000)

As shown, if the team's payroll was similar to the Athletics 2004 team payroll of approximately $59.5 million, estimated net cash flow under Scenario 1 would be approximately $16.4 million. Under Scenario 2, the team would generate approximately $4.2 million in estimated net cash flow. If the team's payroll approximated the Giant's current team payroll of approximately $82 million, the team would have an estimated negative cash flow of approximately $6.1 million under Scenario 1 or $18.4 million under Scenario two.

V. Funding Analysis

In 2004, the average MLB team payroll has been estimated at approximately $69 million with the average of the top 15 teams spending approximately $93 million on player's salaries and benefits. Based on the financial assumption presented herein for Scenario 1, payrolls at those levels would result in an estimated net cash flow of $6.9 million and an estimated loss of approximately $17.3 million, respectively. Under Scenario 2, the team would have an estimated negative cash flow of approximately $5.4 million given the 2004 average MLB payroll and approximately $29.6 million considering the average of the top 15 teams. A payroll level of $84.6 million, which is equal to the average payroll for the teams that competed in post season play in 2003 would result in estimated negative cash flows of $8.7 million and $20.9 million, respectively, under Scenarios one and two.

It should be noted that the net cash flow estimates developed in this analysis do not include provisions for revenue sharing. Revenue sharing contributions or disbursements are based on the revenues generated by each franchise. Based on current revenue levels, the Athletics have historically received annual revenue sharing payments. However, the revenues generated at a new stadium would likely cause a potential San Jose franchise to be required to pay into the revenue sharing fund. Because the specific revenue sharing payment would depend on the franchise's annual revenue levels and those of other MLB franchises, revenue sharing payments are difficult to predict and therefore are not considered in the above cash flow analysis.

In addition to revenue sharing, team debt is another potential expense that has not been included in this analysis. While the current ownership of an existing franchise could retain ownership of the team and relocate it to San Jose, it is also possible that a franchise could be purchased by new ownership and brought to San Jose. Should this scenario occur, the new ownership group would likely incur significant debt related to the purchase of the team, which could impact the estimated cash flow figures developed in this analysis.

Summary

The costs associated with the construction of a MLB ballpark can vary significantly, as evidenced by the wide range in development costs of recently built facilities. The cost of a ballpark in San Jose will depend on several factors, including capacity, level of finish, cost of land acquisition and preparation and other such variables. The funding structures used to construct MLB facilities also vary significantly for each individual ballpark. However, one common factor among all of the ballparks analyzed in this section is a requirement of some level of public funding. The public sector contributed an average of approximately two-thirds of the development cost of recently built facilities.

V. Funding Analysis

The specific funding mechanisms used to construct a ballpark in San Jose will depend on a number of factors such as the level of investment made by team ownership, the willingness and ability of the City or another public sector to contribute funding, the political climate regarding ballpark funding and other such factors. However, it is likely that ballpark construction would require a private/public partnership, with the public sector making a significant contribution to the project cost.

VI. Next Steps

As the Task Force continues to assess the potential for attracting a MLB franchise to San Jose, several steps can be taken to further pursue that possibility. The following is a brief summary of actions that should be taken by the Task Force should you desire to continue pursuing a MLB franchise.

1. *Refine analysis of Bay Area fan behavior*

   The demographic analysis presented in this report attempted to quantify the population of each current Bay Area baseball team's market area as well as the change in market area that could result if a team was located in San Jose. However, as noted in that analysis, in order to more accurately complete the market area analysis, detailed information on the Athletics' and Giants' season ticket and fan attendance data will be required in order to fully understand the areas from which each team currently draws the majority of its attendees.

2. *Refine estimated MLB financial operating results*

   The financial estimates presented in this report are preliminary in nature and are based largely on the experiences of existing MLB franchises. As the Task Force moves forward in assessing the potential for MLB in San Jose, a detailed market study should be performed, providing more detailed estimates of attendance, ticket prices, premium seating and other key revenue drivers. Should specific stadium design parameters be determined, the financial results could be further refined based on specific capacity, premium seating and other such factors.

3. *Identify potential ballpark costs and funding sources*

   The funding analysis in this report was based on a preliminary ballpark cost estimate of $450 million. However, actual ballpark construction costs may vary considerably based on a number of factors such as location, capacity and amenities included. As the design of a potential ballpark and more detailed construction cost estimates are developed, funding sources to cover those costs will need to be identified, including potential public sources of funds.

4. *Identify potential ballpark sites*

Potential ballpark locations will need to be identified and assessed based on factors such as land availability and acquisition costs, accessibility, infrastructure needs and a variety of other factors. As an initial step, several potential ballpark sites should be identified. These sites can then be compared based on the factors such as those previously mentioned in order to determine the optimum site for potential ballpark construction.

Appendix 1:
MLB Ballparks Built Since 1990 – Detailed Funding Summaries

MLB Ballpark Funding Data

Information contained herein has been obtained from various sources including public sector representatives, team and facility management, and industry publications. Information provided by third parties has not been audited or verified, and was assumed to be correct. Further, the information contained herein is subject to modification due to the evolving nature of the transactions represented.

St. Louis Ballpark (2006)

Team, City, State: St. Louis Cardinals (MLB), St. Louis, Missouri

General Description: The new baseball-only stadium is expected to be completed in time for Opening Day 2006. It is anticipated that the new ballpark will initially contain approximately 35,000 seats in first year of operations increasing to 47,900 in the second year. The total project cost for the ballpark is anticipated to be $388 million, including $345 for ballpark construction and $43 million in site, infrastructure and highway-related costs.

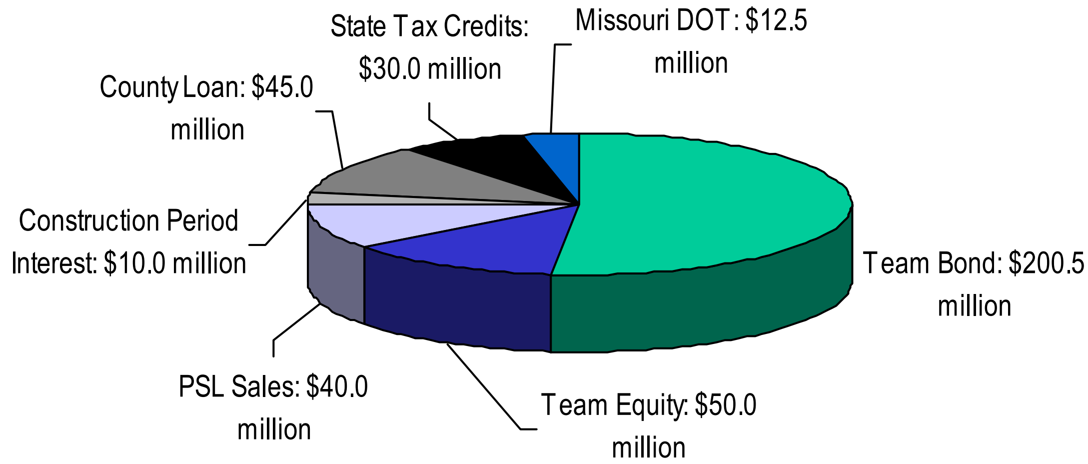
Public Participation: The County will provide the Team with a $45 million loan secured through hotel/motel tax proceeds. The 40-year loan will have a 2.8% interest rate, with the Cardinals either paying a balloon payment at the end of 40 years or turning the ballpark over to the County at that point. In addition, $30 million will be raised through the sale of state tax credits, and the Missouri Department of Transportation will provide $12.5 million in transportation improvements. In addition, the City of St. Louis removed a 5% ticket tax that was being assessed on all Cardinals ticket revenue. In effect, the City's contribution could account for upwards of $70 million in additional revenue (NPV) that the Cardinals could use to fund their private placement.

Private Participation: The Cardinals will finance a 22-year $200.5 million private bond placement. The investor yield on the loan is 5.72% with the cost of insurance 0.7%, for a total cost to the Team of 6.42%. The Team will contribute an additional $90 million in team equity, including an estimated $40 million raised through the sale of PSL's. In addition, an estimated $10 million in construction period interest will be contributed toward the ballpark project.

Total Project Cost: $388.0 million

Public Participation: 23%

Private Participation: 77%



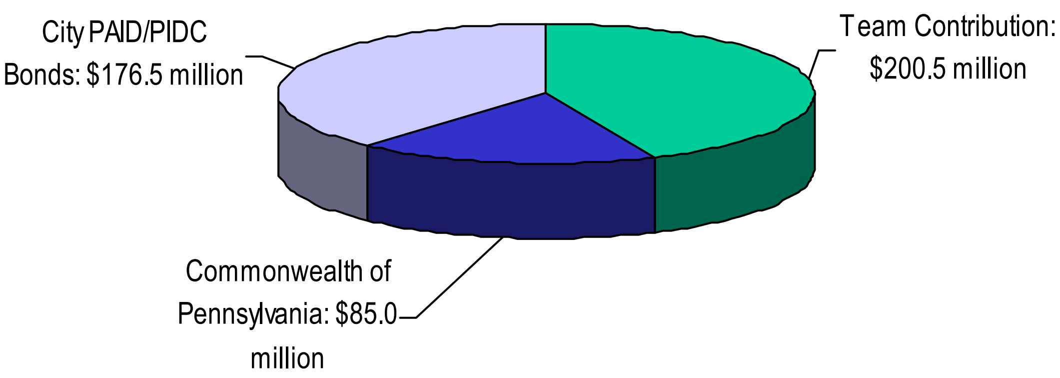
Citizens Bank Park (2004)

Team, City, State:	Philadelphia Phillies (MLB), Philadelphia, Pennsylvania
General Description:	Citizens Bank Park will open in 2004 and will feature 43,500 seats, 71 private suites and 3,900 club seats. The total project cost will approximate $462 million, including $112 million in site work. The combined site work for the Phillies and Eagles stadium approximated $142 million. A larger portion was allocated to Citizens Bank Park due to its location relative to the majority of the site work. However, the City increased its contribution to the project to offset the difference, resulting in the Phillies and Eagles paying equal site work costs.
Public Participation:	The City of Philadelphia issued bonds through the Philadelphia Authority for Industrial Development (PAID), which is administered by the Philadelphia Industrial Development Corporation (PIDC). These bonds were issued to finance the City's share of construction and site work for Citizens Bank Park and Lincoln Financial Field. Approximately $89 million of the bond issue was allocated toward ballpark construction, with an additional $87.5 million going toward the ballpark's share of site work. In addition to the City's contributions, the Commonwealth of Pennsylvania contributed $85 million to the ballpark project.
Private Participation:	The Phillies contributed a total of $200.5 million toward the project, including $176.0 million toward ballpark construction and $24.5 million in site work. A portion of the team's site work contribution will be derived from parking revenue allocated to the Team by the City.

Total Development Costs:
$462.0 million

Public Participation:
57%

Private Participation:
43%



Petco Park (2004)

Team, City, State: San Diego Padres (MLB), San Diego, California

General Description: On November 3, 1998, the voters of San Diego approved Proposition C which approved the City's share of a new $457 million downtown ballpark. The ballpark will be a part of a larger Ballpark District, featuring offices, retail, hotels, and residential units. The facility will be owned by both the City (30%) and the Padres (70%) and operated by the Padres. The ballpark will contain 42,000 seats with the introduction of standing room and lawn seating opportunities increasing the capacity to 46,000.

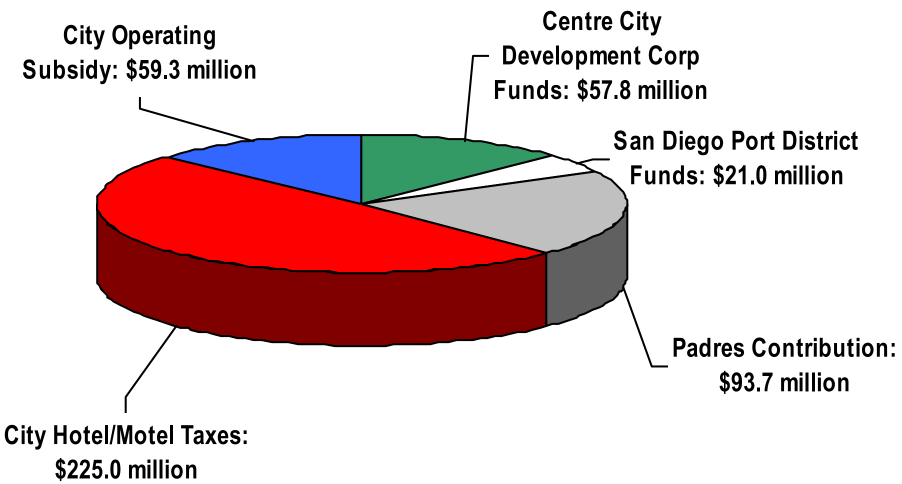
Public Participation: The City of San Diego will issue $225 million in municipal bonds secured by hotel/motel taxes. The Centre City Development Corporation will provide $21.0 million from existing funds and $29.0 million from tax increment revenues generated by the ballpark and redevelopment project while the San Diego Unified Port District will contribute $21 million. In addition, the City has committed to provide the Padres with 30 percent of the stadium's annual operating expenses not to exceed $3.5 million, increased annually for CPI. It is estimated that this commitment provides approximately $59.3 million.

Private Participation: The Padres are committed to providing $115 million to the project. The funds used by the Padres may include the typical monies generated by MLB teams, but may also include developer rights fees for the additional development, private franchise utility contributions for utility relocations and private donations. In addition, as noted above, the City's operating subsidy effectively reduces the team's commitment to $55.7 million.

Total Development Costs:
$456.8 million

Public Participation:
79%

Private Participation:
21%



Petco Park – Other Financial Issues

Admission Taxes / Sales Taxes:	not available
Property Taxes:	Property taxes will be applicable on the Padres ownership interest in the ballpark.
General Lease Terms:	In return for full operating control of the stadium, the Padres are responsible for all routine operating expenses related to the stadium except for structural repair and maintenance. The City will provide the Padres with 30% of the annual operating expenses, not to exceed $3.5 million. In terms of rent, the Padres will pay the City $500,000 per annum inflating annually. The City will have the right (without rental obligation) to hold or authorize City/3rd party events on 240 dates per year, while the Padres will have the right to hold Padres events (including games, concerts, fantasy camps, etc.) on 125 dates each year. The City will receive all revenue from City-related events. The first $5.0 million in ballpark construction cost savings will be deposited into a capital improvement fund. The first $250,000 of net parking revenue generated each year through public use at nonevent times of the year will be deposited into the fund. The Padres will advance funds for improvement costs which are exceed the balance in the fund, with reimbursement the next year as the first draw against the City's annual deposit Cost overruns for the facility development are the responsibility of the Padres.
Other Development / Lease Issues:	The Padres through a (Master Developer) will commit to arrange for specific other development in the ballpark area. Specifically, the development must generate revenue to the City from transient occupancy taxes and property taxes equivalent to a 150-room, extended-stay hotel, 700 additional hotel rooms, office complexes with at least 600,000 gross square feet, retail development with at least 150,000 gross square feet and associated parking. The development must be completed by April 2002. The Padres provided protection for the City for 10 years on the receipts from tax on hotel rooms if growth is less than 8% over a three-year running average.

Great American Ballpark (2003)

Team, City, State: Cincinnati Reds (MLB), Cincinnati, Ohio

General Description: The new baseball-only stadium is expected to be completed by the 2003 season. It is anticipated that the new ballpark will contain approximately 45,000 seats, including 3,000 club seats and approximately 51 private suites. The facility will be owned by Hamilton County and operated by the Reds.

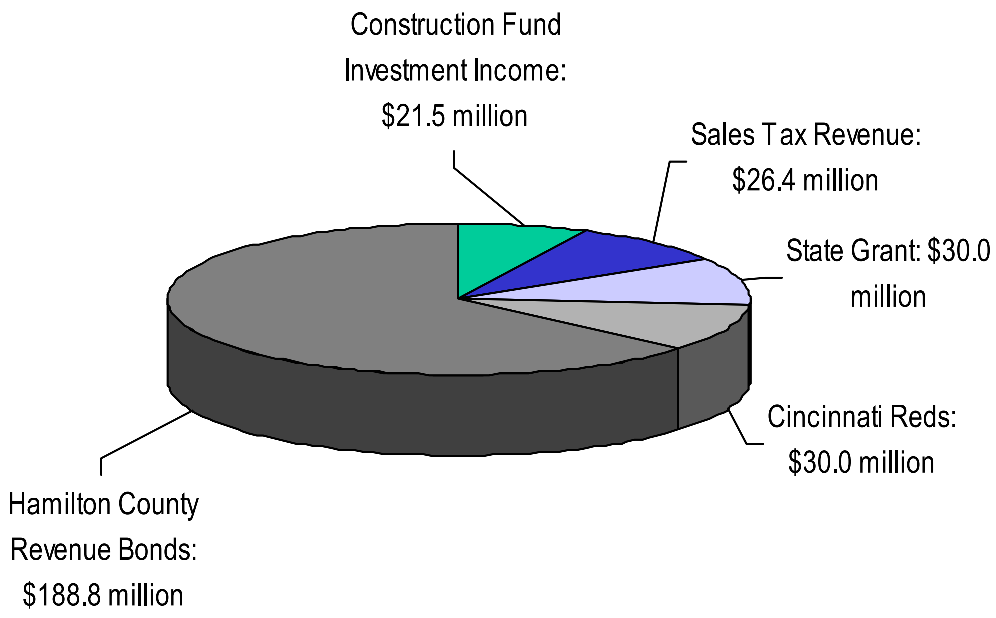
Public Participation: Hamilton County issued $188.8 million in revenue bonds backed by sales tax revenues to assist in funding the project. The State of Ohio contributed $30 million in the form of a grant to help fund project costs. Approximately $26.4 million in sales tax revenue was generated to finance ballpark and related construction costs. Approximately $21.5 million in revenues from Construction Fund Investment Income will assist in financing the project.

Private Participation: The Cincinnati Reds agreed to contribute $30.0 million to project costs. The Team shall rely on revenues from one or more of the following sources to generate the $30.0 million: (a) sale of concession rights, (b) revenues from sales of luxury suites, (c) sale of charter ownership agreements, (d) sale of stadium naming rights and (e) sale of advertising, broadcast and signage rights.

Total Project Cost: $296.7 million

Public Participation: 90%

Private Participation: 10%



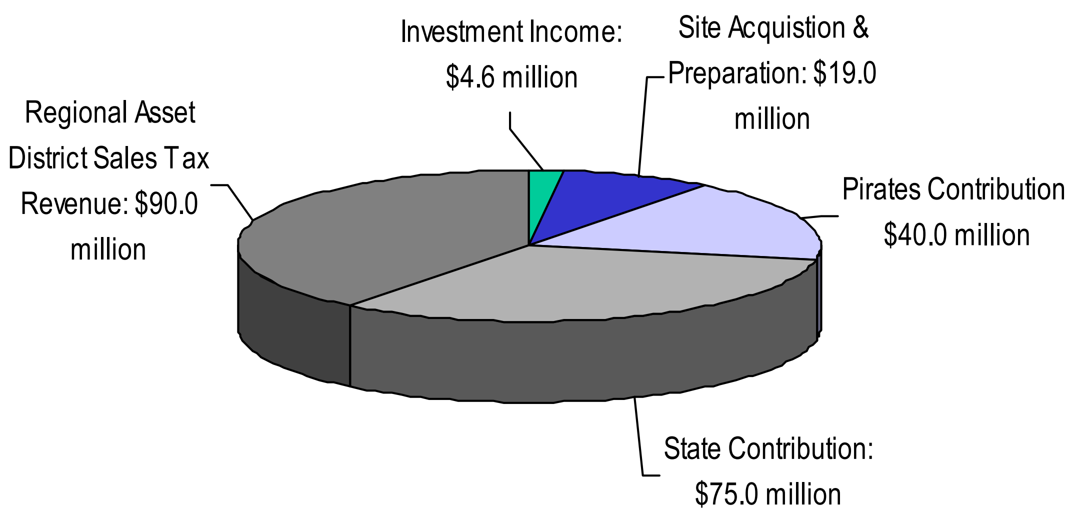
Great American Ballpark – Other Financial Issues

Ticket Taxes:	Not applicable.
Property Taxes:	Not applicable.
General Lease Terms:	It is currently anticipated that the Team will lease the facility from the County for a period of 30 years. The Team shall pay the County $2.5 million annually for the first nine years of the lease. The Team shall pay to the County annual payments of $1.00 for the remaining 21 years of the agreement. The County and Team shall engage a national promotional firm to book other suitable events at the stadium. Net revenue generated from such events shall be divided 50 percent each between the Team and the County. The Team shall be responsible for all costs related to the operation, maintenance and ordinary repairs to the stadium. The County shall be responsible for all costs related to the capital repairs/improvements to the stadium during the term. The County shall deposit $1 million into a Capital Reserve Account annually to cover such related costs. In addition to the Capital Reserve Account, the County shall establish a reserve fund to reimburse the Team for certain operating maintenance expenses of the stadium. The County's contribution to the O&M Reserve shall be $500,000 for the first year and shall escalate at five percent per annum each subsequent year.
Other Development/ Lease Issues:	There will be three public improvement projects affiliated with the construction of the new Cincinnati Reds and Cincinnati Bengals stadiums. The first of these projects is a parking structure, which will be owned and operated by Hamilton County. Approximately $108.5 million will be allocated to the development surrounding the parking structure. The second improvement is a floodwall which will require $17.0 million in funding to complete. There are also approximately $9.9 million in street improvements and street relocations which are required to complete the stadium projects.
Voter Referendum Language:	"Shall the resolution of the Board of County Commissioners of Hamilton County enacting a one-half of one percent sales and use tax be approved."

For	Against
150,793 61.48%	94,478 38.52%

PNC Park (2001)

Team, City, State:	Pittsburgh Pirates (MLB), Pittsburgh, Pennsylvania
General Description:	PNC Park will open in 2001 and will be owned by the Public Auditorium Authority of the City of Pittsburgh and Allegheny County and operated by the Pirates. The park will be one of the smallest stadiums in MLB providing slightly under 40,000 seats, 69 private suites, 2,500 club seats and 400 field club seats located directly behind home plate.
Public Participation:	The public funding portion of the entire $803 million project will be provided by a number of sources including State, County and Federal revenues. With regard to the Pirates ballpark, the Regional Asset District will provide $90.0 million from sales tax revenue, while the State will contribute $75 million. Project interest income will provide an additional $4.6 million. In addition, the PAA funded through a variety of other sources, $19.0 million has been committed for site acquisition and preparation.
Private Participation:	The Pittsburgh Pirates will contribute $40.0 million toward the construction of the new facility. The Pirates have received bank financing from Fleet with regard to their commitment. However, the team will be generating other upfront funds from a limited number of PSLs, premium seating deposits and vendor financing.



Total Development Costs: $228.6 million

Public Participation: 83%

Private Participation: 17%

PNC Park – Other Financial Issues

Admission Taxes / Sales Taxes:	Applicable taxes include a 5% City amusement tax.
Property Taxes:	Property taxes are not applicable since the facility is publicly owned.
General Lease Terms:	In return for full operating control of the stadium, the Pirates are responsible for all routine operating expenses related to the stadium except for structural repair and maintenance. In terms of rent, the Pirates will pay the Regional Asset District $100,000 per annum. In addition, the Pirates will pay the District 5% of ticket revenue in excess of $44.5 million (inflating) and 10% of ticket revenue in excess $52.5 million (inflating). The Pirates will also pay the District a percentage of concession revenue, depending on the effective sales per capita and team allocation. Specifically, the Pirates will pay the District 5% of any revenue received in excess of a 42 percent allocation and 10 percent of any revenue received in excess of 45 percent. The Pirates will also pay the District 5% of any revenue in excess of a $9.00 per capita (adjusted for inflation). The Pirates will contribute $300,000 per annum for capital repairs, while the District will contribute $700,000. The District will be responsible for any expenditures in excess of the capital reserve.
Other Development / Lease Issues:	Cost overruns for the facility development are the responsibility of the Pirates. After the first 10 years of the term, the Pirates will be obligated to pay 1/3 of the States contribution unless the State has received $25 million over the term from a variety of State tax revenues including personal income, sales and use taxes. The Pirates have the same obligations for each of the subsequent 10 year periods.

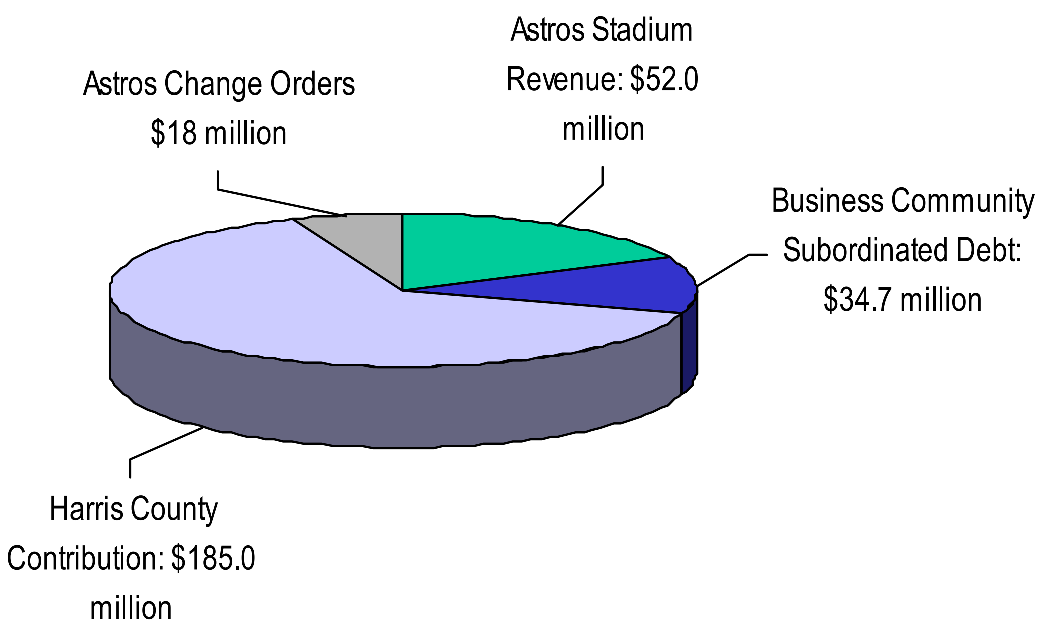
Minute Maid Park (2000)

Team, City, State: Houston Astros (MLB), Houston, Texas

General Description: The 42,000-seat retractable-roof ballpark was completed in 2000. The facility is owned by the newly-created Houston Sports Authority and operated by the Astros.

Public Participation: Harris County will contribute $185 million to the project through a specific financing vehicle to be determined in September 1997. At this time, it is anticipated that the $180 million will be backed by a new County auto rental tax as well as the County's hotel/motel tax proceeds. Through a recent voter-approved referendum, the County will also have the option to implement a parking tax and a ticket surcharge to assist in the financing its contribution. In addition, $34.7 million in various subordinated debt will be contributed from the local business community with the debt.

Private Participation: The Astros will contribute at least $52.0 million through debt backed by stadium revenues estimated to generate approximately $4.6 million per annum. In addition, the Astros funded approximately $18 million in stadium change orders.



Total Development Costs: $290.0 million

Public Participation: 76%

Private Participation: 24%

Minute Maid Park - Other Financial Issues

Admission Taxes / Sales Taxes:	The Sports Authority may at any time impose admissions, parking or visiting team use taxes and the Astros annual payments to the capital asset fund shall be reduced or replaced by the amount of ticket taxes collected by the Astros.
General Lease Terms:	The term of the lease extends 30 years commencing upon completion of construction which is projected to be March 1, 2000. The Astros will pay an annual rent payment of $4.6 million which will be used in the funding of the stadium. The Astros will acquire the rights to all baseball and other venue revenues including, but not limited to, naming rights, advertising, broadcasting and telecommunications rights, PSLs, concessions, and parking but specifically excluding any ticket taxes. The Astros will pay all operating and capital expenses necessary to maintain the stadium. The Astros will pay $2.5 million per year to fund a segregated capital asset fund.
Other Development / Lease Issues:	The Astros were responsible for all cost overruns.

Voter Referendum Language:	For	Against
	395,973 51.06%	379,552 48.94%

Miller Park (2001)

Team, City, State: Milwaukee Brewers (MLB), Milwaukee, Wisconsin

General Description: Miller Park opened for the 2001 baseball season, after a delay of one year due to an accident during construction in the summer of 1999. The park is owned by the Wisconsin Professional Baseball District (WPBD) (64%) and the Brewers (36%). The baseball-only stadium has a convertible roof, a natural grass playing surface, and has an approximate seating capacity of 42,000 with 75 private suites and 3,000 club seats. The Brewers are responsible for operating the facility.

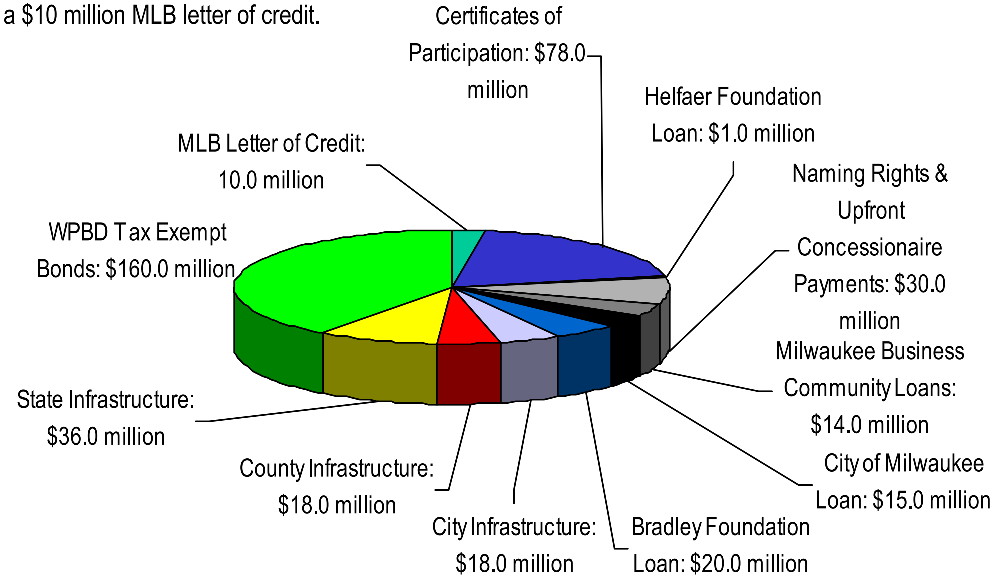
Public Participation: The WPBD issued tax-exempt bonds totaling $160.0 million backed by a 1/10 of a cent increase in the sales tax and a 1% increase in the room tax for Milwaukee County and the four surrounding counties. The District also issued $78 million in certificates of participation that are backed by the sales tax revenues. The funds were used to lease stadium equipment such as the scoreboard, utility equipment, and other operational items for the roof system and stadium. Approximately $72 million in infrastructure costs were supported through public funds consisting of: $36 million from the State and $18 million each from the City of Milwaukee and Milwaukee County.

Private Participation: The Milwaukee Brewers contributed $90.0 million toward the cost of the stadium. Included in this is a $20.0 million low-interest loan from the Bradley Foundation, $1.0 million low-interest loan from the Helfaer Foundation, $14.0 million in private loans from various community lenders, $15.0 million loan from the City of Milwaukee, $30.0 from the sale of naming rights to Miller Brewing Company and upfront concessionaire payments to the team, as well as a $10 million MLB letter of credit.

Total Development Costs:
$400.0 million

Public Participation:
77.5%

Private Participation:
22.5%



Miller Park - Other Financial Issues

Admission Taxes / Sales Taxes:	It is not anticipated that any specific admissions tax or ticket surcharge will be applied. Applicable sales taxes include a 5.0% State tax and a 0.6% Milwaukee County tax. The sales tax in Milwaukee County and four other neighboring counties was raised by 0.1% (to the current 0.6%) to back the $160.0 million tax-exempt bond issue by the Wisconsin Professional Baseball District (WPBD).
Property Taxes:	As the majority of facility ownership will be controlled by the WPBD, property taxes are not applicable. However, as the Brewers own approximately 36 percent of the ballpark, there is some debate over the taxability of this portion.
General Lease Terms:	The Milwaukee Brewers will receive all stadium revenues and are responsible for all operating expenses. The WPBD receives annual rent payments of $900,000, increasing after 10 years from the Brewers. The WPBD pays the Brewers an annual operating subsidy of $3.85 million for facility repair and maintenance. The District has the responsibility to deposit $700,000 annually into a segregated capital reserve fund. The team has the responsibility to deposit $300,000 annually into the capital reserve fund. To the extent the reserve funds are insufficient to pay the District's obligations related to major capital improvements, the District has the responsibility to pay the difference.
Other Development / Lease Issues:	The District was responsible for any cost overruns.

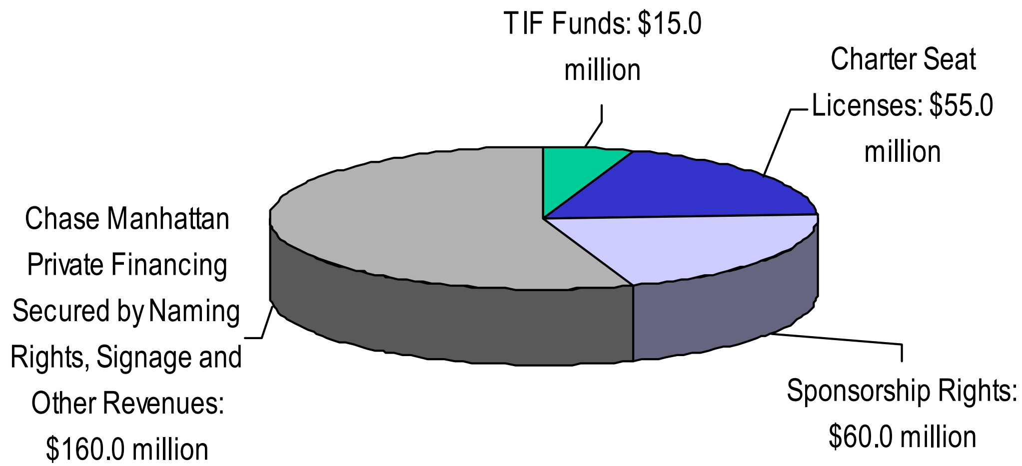
SBC Park (2000)

Team, City, State:	San Francisco Giants (MLB), San Francisco, California
General Description:	The baseball-only SBC Ballpark was completed in 2000, is owned and operated by the San Francisco Giants and has an approximate seating capacity of 40,000 including 65 private suites and 8,123 club seats.
Public Participation:	Approximately $15 million in funds were provided by the San Francisco Redevelopment Agency through tax increment financing (TIF) which will be repaid through possessory interest tax revenue.
Private Participation:	In terms of private contribution to the funding, Chase Manhattan Bank agreed to arrange $160 million in syndicated private financing secured by naming rights, signage, advertising and other stadium and team revenues. The Giants secured long-term sponsorship agreements worth approximately $60 million. In addition, approximately $55 million was raised from the sale of approximately 13,700 lifetime charter seat licenses.

Total Development Costs:
$290.0 million

Public Participation:
5%

Private Participation:
95%



SBC Park - Other Financial Issues

Admission Taxes / Sales Taxes:	Applicable sales taxes include 6.0% State, 1.25% County, and 1.25% City. At this time, there is no specific commitment to any type of ticket surcharge or admissions tax.
Property Taxes:	It is currently estimated that annual property taxes payable by the San Francisco Giants will approximate $1.8 million.
General Lease Terms:	The China Basin Ballpark Company, a related entity of the Giants, has agreed to an initial 25-year land lease with the City of San Francisco. The Giants pay the City $1.2 million in annual rent payments beginning in 2000. From 2003-06, annual rent will increase according to inflation (with a maximum of 3% per annum). From 2006-22, the rent will be fixed every three years, also based on inflation (not to exceed 5% per annum). From 2022-62, the rent will be modified based on a "fair market formula". In addition, the Giants also agreed to remove any toxic waste at the stadium site prior to construction.
Other Development / Lease Issues:	The Giants were responsible for all cost overruns.
Voter Referendum Language:	"Shall various City ordinances be changed so that a ballpark may be built at China Basin?"

For		Against	
108,968	61.16%	69,197	38.84%

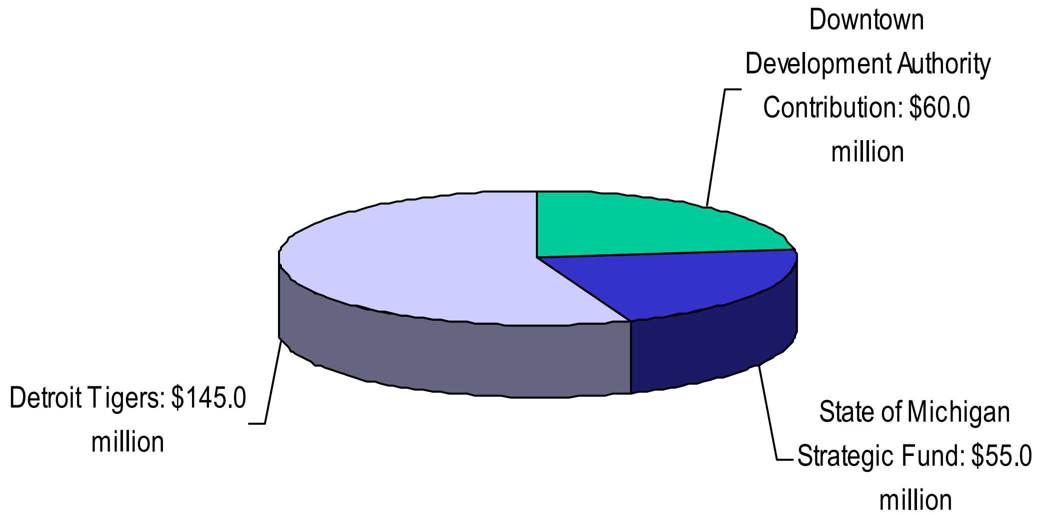
Comerica Park (2000)

Team, City, State:	Detroit Tigers (MLB), Detroit, Michigan
General Description:	The proposed open-air stadium was completed for the 2000 season and is located in downtown Detroit. The 42,000-seat stadium also includes approximately 75 private suites and 5,000 club seats. The facility is owned by the Downtown Development Authority and the City of Detroit.
Public Participation:	The State of Michigan contributed $55.0 million from an allocation from its Strategic Fund, a general fund that receives some of its cash from taxes on Indian gaming establishments in Michigan. In addition, Wayne County issued $60.0 million in tax-exempt municipal bonds through the Downtown Development Authority secured by a one percent room tax and two percent motor vehicle rental tax.
Private Participation:	The Detroit Tigers contributed approximately $145.0 million in funds toward the cost of the stadium secured by stadium revenues. A consortium of banks provided the Tigers with various loans comprising the Tigers portion of funding.

Total Development Costs:* *$260.0 million

Public Participation:* *44%

Private Participation:* *56%



Comerica Park - Other Financial Issues

Admission Taxes / Sales Taxes:	Applicable sales taxes include a 6.0% State tax. No specific admissions tax or ticket surcharge were imposed as part of the financing of the stadium. However, Tigers management indicated that a ticket fee could be imposed at some point in the future but nothing has been specified at this time.
Property Taxes:	Property taxes are not applicable since the facility will be publicly owned.
General Lease Terms:	The Tigers retain all stadium revenues and are responsible for operating expenses. The public sector will receive no revenue from the operations of the facility until the 36th year of operation at which time annual rent payments of $1.0 million will be paid to the City.
Other Development / Lease Issues:	Tigers were responsible for all cost overruns.
Voter Referendum Language:	"Shall Wayne County be authorized, and an ordinance approved, to levy an excise tax of 1% of gross receipts from charges for accommodations provided to transient guests, and 2% of gross receipts from motor vehicle rentals for less than 30 days, primarily to secure and fund rentals by the county to the Detroit/Wayne County Stadium Authority, which has been created by the County to acquire a new baseball stadium, to be developed near the site of a taxes shall be levied until the obligations are retired but proceeds in excess of $80 million; and shall the county use the excise tax revenues to lease the new baseball stadium, and then sublease the stadium to the City of Detroit Downtown Development Authority, which shall in turn make the stadium available for use by the Detroit Tigers?"

For		Against	
432,018	65.5%	227,081	34.5%

Safeco Field (1999)

Team, City, State: Seattle Mariners (MLB), Seattle, Washington

General Description: The 45,000-seat retractable-roof stadium was completed during the 1999 baseball season. The owner of the facility is the Washington State Professional Baseball Public Facilities District (PFD), a board of members appointed by King County, while the Seattle Mariners operate the stadium.

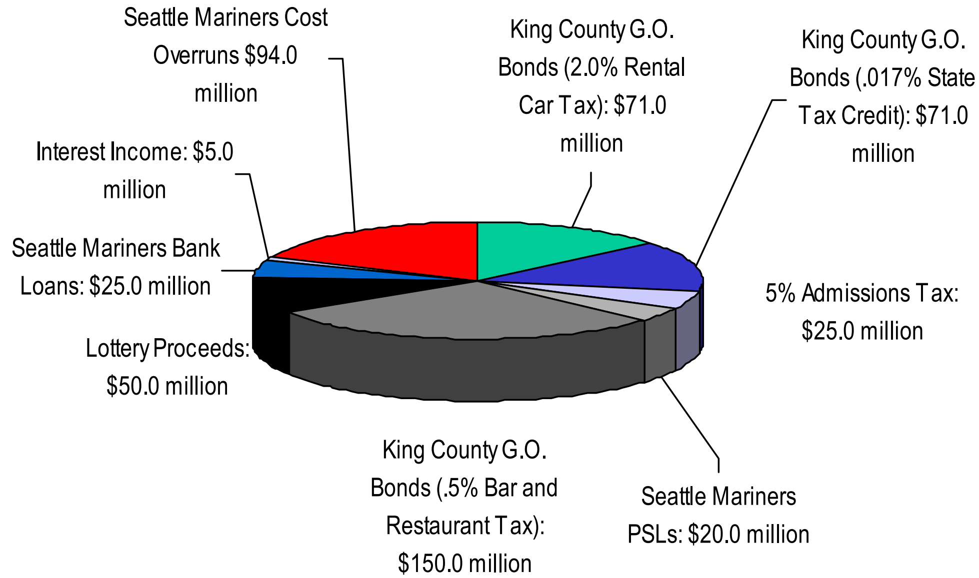
Public Participation: King County funded $150.0 and $71.0 million of construction costs through tax-exempt G.O. bonds supported by a 0.5 percent increase and a 2 percent increase in the County's food and beverage and car rental taxes, respectively. In addition, 0.017 percent of the State's 6.5 percent sales tax collections were returned to the County to assist in the bond repayment and provide approximately $71 million. Further, $50 million bonds secured by lottery revenue related to four newly created lottery games by the State also funded the public's portion of stadium development costs. Interest income generated approximately $5.0 million. Lastly, the County levied a 10 percent admissions tax on all events at the stadium. Five percent of the admission tax is used by the PFD to fund the debt service associated with the $27.0 million parking garage. The other five percent is used by the Mariners to fund a major building replacement reserve up to a maximum of $5.0 million.

Private Participation: The Seattle Mariners originally contributed $45.0 million plus $94 million in cost overruns that will be supported by stadium and team revenues.

Total Development Costs: $511.0 million

Public Participation: 73%

Private Participation: 27%



Safeco Field - Other Financial Issues

Admission Taxes / Sales Taxes:	A 10 percent admissions tax is applied to all ticket sales. Five percent of the tax is used by the PFD to fund the $26.0 million parking garage. The other five percent is used by the Mariners to fund a capital replacement fund up to a maximum of $5.0 million.
Property Taxes:	Property taxes are not applicable since the facility will be owned by the PFD. The Mariners also received an exemption from State leasehold excise taxes on the public areas of the facility.
General Lease Terms:	The Mariners retain all revenues generated from the stadium and pay all operating expenses. In return for complete operating control, the Mariners will pay the PFD $700,000 per annum, inflating by the Seattle area's CPI. The lease extends for 20 years.
Other Development / Lease Issues:	The Mariners were responsible for any cost overruns beyond the existing $422.0 million budget. As of April 1999, the cost overruns were estimated to have increased the project cost by an additional $100 million. In addition, if the five percent admissions tax does not cover the debt service associated with the $27.0 million parking garage, the Mariners will fund the difference. Further, the Mariners agreed to pay any legal expenses incurred by the PFD, if the team breaks the lease agreement.
Voter Referendum Language:	"For funding up to $240,800,000 in bonds for a retractable roof baseball stadium with natural turf, and at least $170,000,000 in bonds for Kingdome capital improvements and repairs and other stadium purposes, shall King County impose and collect a 0.1% sales and use tax for up to 20 years, provided a MLB team leases the new stadium until construction bonds are retired, contributes $45,000,000 to stadium construction, shares profits, and makes other commitments?"

For	Against
245,418 49.89%	246,500 50.11%

Bank One Ballpark (1998)

Team, City, State: Arizona Diamondbacks (MLB), Phoenix, Arizona

General Description: The 48,500-seat retractable roof stadium, including 70 private suites, 7 party suites and 5,800 club seats, was completed in time for the 1998 baseball season. The Maricopa County Stadium District (District) owns the facility.

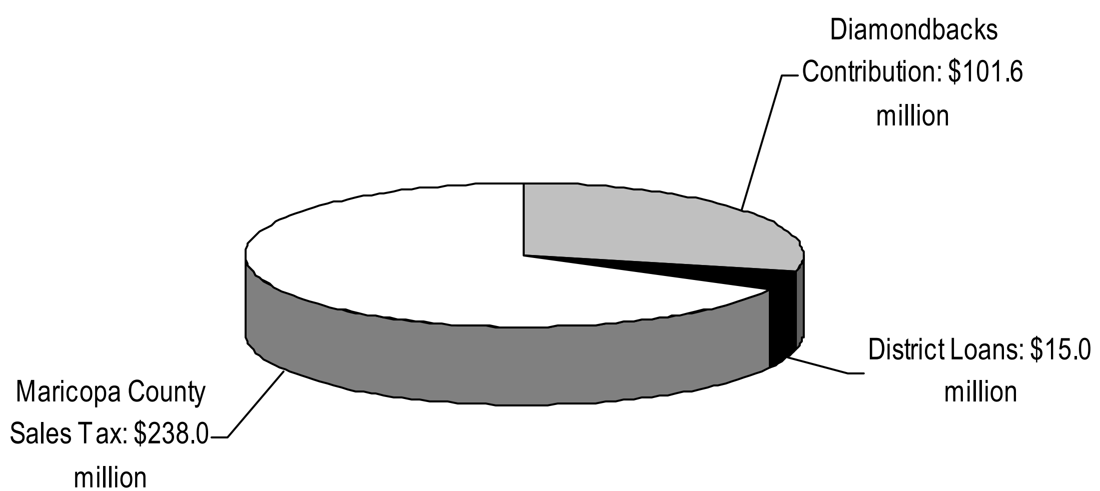
Public Participation: The District enacted a quarter-cent sales tax increase in the County's general sales tax, producing cash flows of $6.0 million per month, to fund $238.0 million of development costs. The tax was eliminated in December 1997 after generating the necessary level of revenue. The District acquired a $40.0 million credit line with First Interstate Bank to keep cash flows positive during the initial construction period.

Private Participation: The District borrowed $15.0 million through a loan to be repaid by the District's share of stadium revenues including a portion of naming rights, ballpark club and non-baseball revenue. The Diamondbacks contributed $101.6 million in the form of private bank loans secured by team operating revenue and limited partner offerings.

Total Development Costs: $354.6 million

Public Participation: 67%

Private Participation: 33%



Bank One Ballpark - Other Financial Issues

Admission Taxes / Sales Taxes:	Applicable sales taxes include a 5.5% State tax and a 1.3% Maricopa County tax. To partially fund the stadium, the District enacted a 0.25% increase in the County's tax rate (to total 1.3%). There are no plans to implement a ticket surcharge or admissions tax.
Property Taxes:	Property taxes are not applicable as the Maricopa County Stadium District (District) owns the facility.
General Lease Terms:	The District receives minimum annual rent payments of $1.0 million, $325,000 of annual naming rights payments, 50 percent of gross revenue from private club memberships, and 5 percent of net private suite and club seat premiums, 50 percent of net profits during baseball season for non-baseball events and 50 percent of net profits above $1.0 million during the off-season for non-baseball events.
Other Development / Lease Issues:	The Diamondbacks were responsible for all cost overruns. Cost overruns caused total development costs to rise from $299.4 million in February 1996 to $354.6 million. Approximately $37.0 million of the $354.6 million total development costs are attributed to land and infrastructure costs. The team is required to fund a capital reserve in the amount of $250,000 annually beginning in year 6 until the end of the lease, plus an additional $250,000 annually in years 7 through 10. Capital improvements and repairs are the responsibility of the club, but will be funded by the capital replacement fund. The District contributes 50% of its ballpark operating profits to the fund. Should the club be sold, the District is entitled to 5% of the club appreciation, limited to $5 million.

Turner Field (1997)

Team, City, State: Atlanta Braves (MLB), Atlanta, Georgia

General Description: Turner Field, formerly Olympic Stadium, was originally built as a part of the 1996 Summer Olympic Games in Atlanta. Following the conclusion of the Olympic Games, the facility underwent an eight-month renovation to retrofit the facility into a 49,304-seat, baseball-only stadium including 58 private suites, 3 party suites and 5,561 club seats. The facility is now owned by the City of Atlanta and the Fulton County Recreation Authority and operated by the Atlanta Braves.

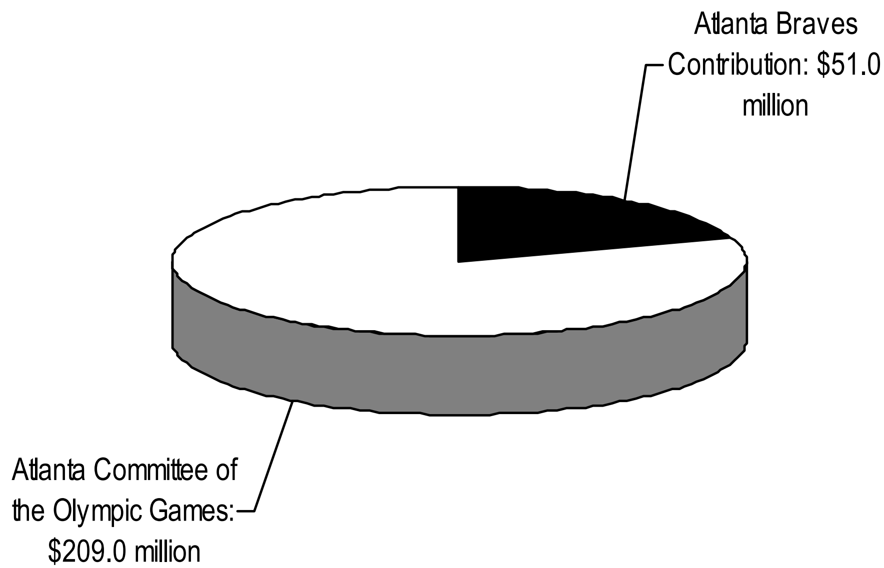
Public Participation: The Atlanta Committee of the Olympic Games (ACOG) provided funds generated by the Olympic Games to finance the original construction of the stadium. The funds were considered a debt-free gift from the ACOG, whom also assumed the debt related to Fulton County Stadium.

Private Participation: The Atlanta Braves contributed $51.0 million toward the renovation of the facility following the Olympics.

Total Development Costs: $260.0 million

Public Participation: 0%

Private Participation: 100%



Note: Turner Field was originally funded in whole by the Atlanta Committee for the Olympic Games, which is a private entity.

Turner Field - Other Financial Issues

Admission Taxes / Sales Taxes:	Applicable sales taxes include a 4.04% State tax and a 2.0% City of Atlanta tax. No specific admissions tax or ticket surcharge is currently planned.
Property Taxes:	Property taxes are not applicable since the facility is publicly owned. However, the team pays approximately $30,000 per year in personal property taxes on property held by the team.
General Lease Terms:	In return for full operating control of the stadium, the Braves are responsible for all routine operating expenses related to the stadium except for structural repair and maintenance. In terms of rent, the Braves will pay the City and County $1.0 million per annum inflating annually over 20 years with the 20th year payment totaling $1.5 million. This payment is allocated by the City and County to a capital replacement fund. The Braves pay an annual operator fee of $500,000. In addition, the City and County will receive 8.25% of all gross parking revenues. It has been estimated that this allocation will approximate $200,000 in 1997. In the event of a naming right agreement, the Braves receive the first $1.5 million, the County receives the next $250,000, and the Braves receive all revenues over $1.75 million.
Other Development / Lease Issues:	Cost overruns for the renovation are the responsibility of the Atlanta Braves.

Coors Field (1995)

Team, City, State: Colorado Rockies (MLB), Denver, Colorado

General Description: Coors Field opened in 1995 and has a total seating capacity of approximately 50,200. The stadium incorporates 52 private suites, 6 party suites and 4,526 club seats. The Denver Metropolitan Major League Baseball Stadium District is the owner of the facility while the team is the operator.

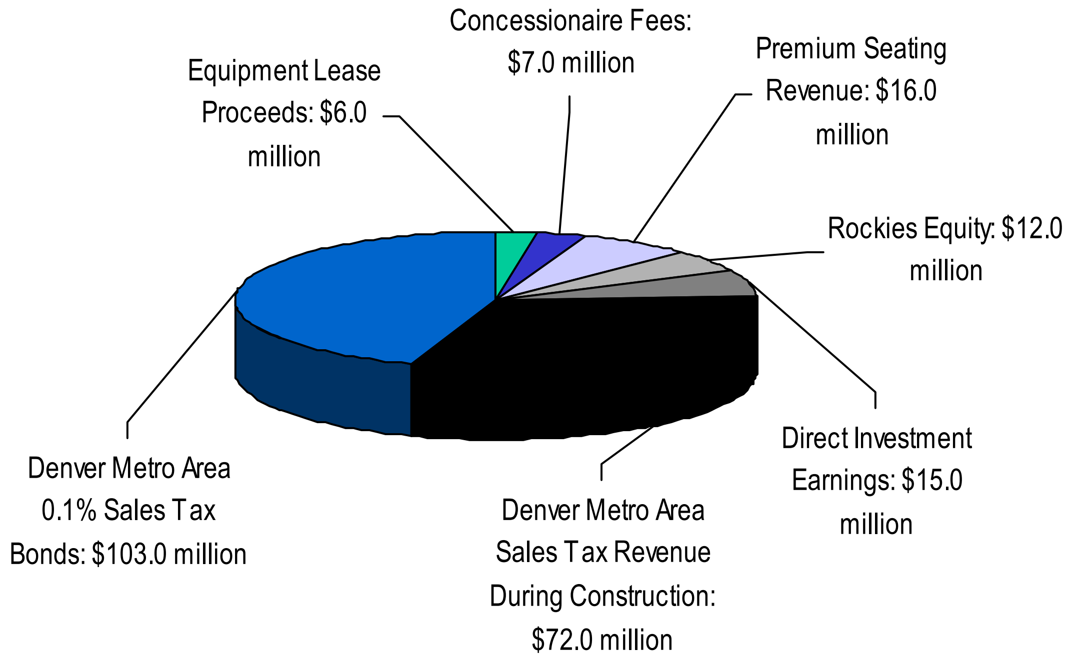
Public Participation: The six-county Denver metro area contributed approximately $72.0 million in sales tax revenues generated during the construction period and a $103.0 million special obligation sales tax bond issue. These bonds are being paid through a voter approved 1/10 percent sales tax increase within the six affected Denver area counties. The District also provided approximately $15 million in investment earnings.

Private Participation: Approximately $41.0 million was contributed by the Rockies through a variety of sources including equity, premium seating revenue, concessionaire fees and equipment lease proceeds.

Total Development Costs: $231.0 million

Public Participation: 82%

Private Participation: 18%



Coors Field - Other Financial Issues

Admission Taxes / Sales Taxes:	Applicable sales taxes include a State sales tax of 3.0%. No admissions taxes or ticket surcharges are applied.
Property Taxes:	Property taxes are not applicable since the facility is publicly owned.
General Lease Terms:	Team pays all operating expenses and retains all revenues with the exception of the following payments to the City. As rent, the City receives $0.25 per attendee between 2.0 and 2.5 million annual attendees, $0.50 per attendee between 2.5 and 3.0 million annual attendees, and $1.00 per attendee over 3.0 million annual attendees. In addition, the City receives 20 percent of net parking revenues. With respect to non-baseball events, the District receives 100% of gate receipts if the District promotes the event, otherwise the Rockies receive 100%, concessions and catering revenue are split 50/50 and the District receives 80 percent of parking revenues.
Other Development / Lease Issues:	Minor cost overruns were paid by both the Rockies and the District. Although the ballpark was completed on schedule, the Rockies would have been received damages in the amount of $50,000 per day if the ballpark was not completed by Opening Day 1995. The Rockies contribute $557,500 annually (1997) to the capital reserve fund, subject to an annual escalator of up to 4% annually. If the Rockies are sold, the team must pay the District 2% of the profit on the sale exceeding a 5% imputed return on investment, limited to $2.0 million.
Voter Referendum Language:	Shall, in support of efforts to gain a Major League Baseball Team for Colorado, the Denver Metropolitan Major League Baseball Stadium District be authorized to levy and collect a uniform sales tax throughout the District at a rate not to exceed 1/10 of one percent for a period not to exceed 20 years, with the proceeds to be used , along with funds from other sources including the private sector, for the costs relating to a Major League Baseball stadium to be located within the District, provided that the tax will be levied and collected only upon the granting of a Major League Baseball Franchise by Major League Baseball to be located within the District?

For		Against	
187,710	54%	158,283	46%

Ameriquest Field (1994)

Team, City, State: Texas Rangers (MLB), Arlington, Texas

General Description: Ameriquest Field opened in 1994 and has 49,166 seats including 125 private suites, 2 party suites and 5,689 club seats. The facility is owned by the Arlington Sports Facilities Development Authority, Inc. and is operated by Rangers Ballpark, Inc. (a Rangers affiliate).

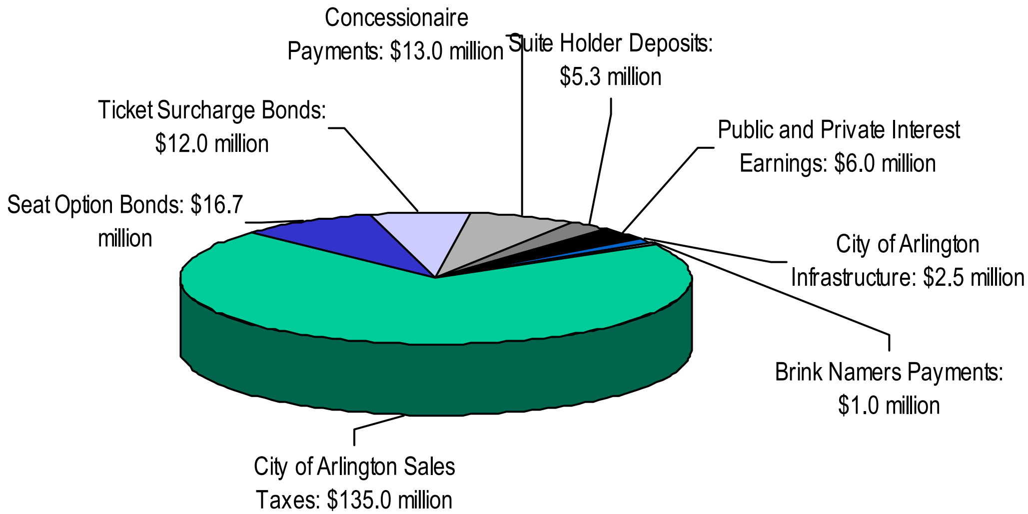
Public Participation: The City of Arlington issued $135.0 million in revenue bonds secured by a 1/2% voter-approved increase in the local sales tax rate. In addition, the City paid for approximately $2.5 million in infrastructure improvements and contributed $6.0 million in project financing interest income.

Private Participation: Approximately $16.7 million was raised from the sale of 15-year seat option bonds to ballpark patrons. The bonds provide the buyer with the option to buy season tickets for specified seats. A $12.0 million loan was guaranteed by the Rangers, but will also be repaid from the $1.00 ticket surcharge proceeds. Stadium food and beverage providers contributed $13 million. Suite holder deposits generated $5.3 million. Approximately $1.0 million was generated by the "Brick Paver" program in which patrons paid to have their names inscribed in walkway bricks.

Total Development Costs: $191.5 million

Public Participation: 75%

Private Participation: 25%



Ameriquest Field – Other Financial Issues

Admission Taxes / Sales Taxes:	A $1.00 admissions surcharge is collected from each paid attendee to stadium events. The first $2.0 million in proceeds from the surcharge are used for the repayment of debt service on the sales tax and the $12.0 loan to the extent that sales taxes and stadium rents are not otherwise sufficient to do so. Any remaining amounts generated by the surcharge will be applied to the ballpark's maintenance expenses.
Property Taxes:	Property taxes are not applicable since the facility is owned by the Arlington Sports Facilities Development Authority (Authority).
General Lease Terms:	Team retains all stadium revenue and pays all expenses. The Authority receives annual rent payments of $3.5 million and all revenue from a $1.00 admissions surcharge on all paid event attendees up to $2.0 million. After the sales tax bonds are defeased, the annual rent payment is reduced to $2.0 million (expected by the year 2000). The Rangers are responsible for all major capital repairs.
Other Development/ Lease Terms:	The Rangers were responsible for any cost overruns. The Authority would have received a late completion penalty payment if the ballpark had not been completed on time. The Rangers retain the right to develop the property surrounding the ballpark. The Rangers have the option to purchase the ballpark for $60 million, net of the rent and maintenance costs since the lease inception, limited to $5 million per year. The option may be exercised when the $135 million in bonds are retired.
Voter Referendum Language:	"The levy and collection of an additional one-half cent sales and use tax to pay bonds issued to provide a major league baseball park and related facilities, with such tax to cease when such bonds are paid in full."

For		Against	
21,924	64.75%	11,936	35.25%

Jacobs Field (1994)

Team, City, State: Cleveland Indians (MLB), Cleveland, Ohio

General Description: Jacobs Field, home of the Cleveland Indians, was built in 1994 as part of the Gateway Complex which included both Jacobs Field and Gund Arena in Cleveland, Ohio. The seating capacity of Jacobs Field is approximately 42,900 seats including 122 private suites, 3 party suites and 2,064 club seats. The stadium is owned by the Gateway Economic Development Corporation, but operated by the Cleveland Indians.

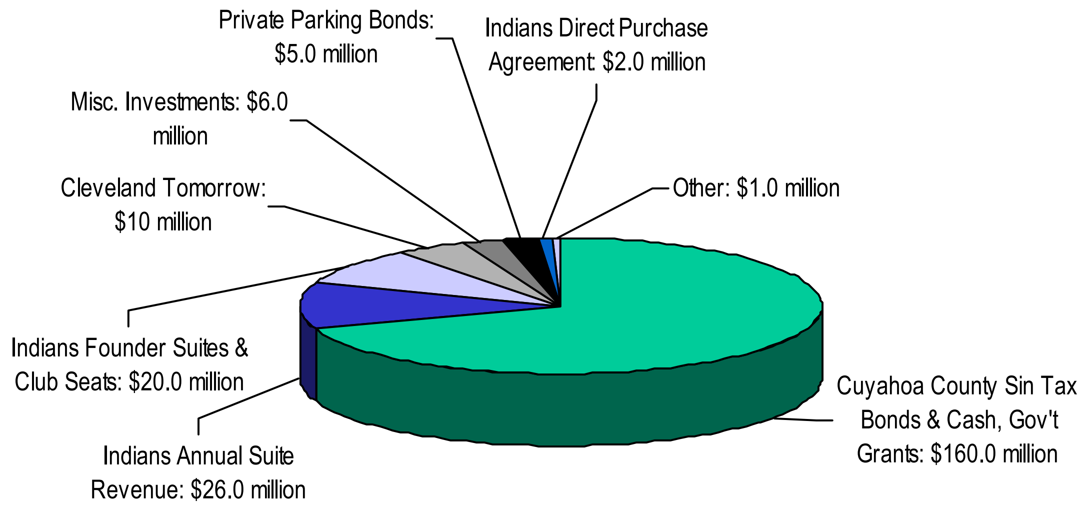
Public Participation: Cuyahoga County luxury tax bonds and tax receipts total approximately $160 million. In addition, the public funding also included federal and state grants. It is difficult to accurately allocate the public financing to each component of the project.

Private Participation: The private financing related to the stadium include suite revenue generated from the annual revenue as well as upfront funds generated from the sale of founders' suites and club seats. Other private funds included miscellaneous investment income, parking revenue, the Indians direct purchase agreement and Cleveland Tomorrow (an organization of local business leaders).

Total Development Costs: $230.0 million

Public Participation: 70%

Private Participation: 30%



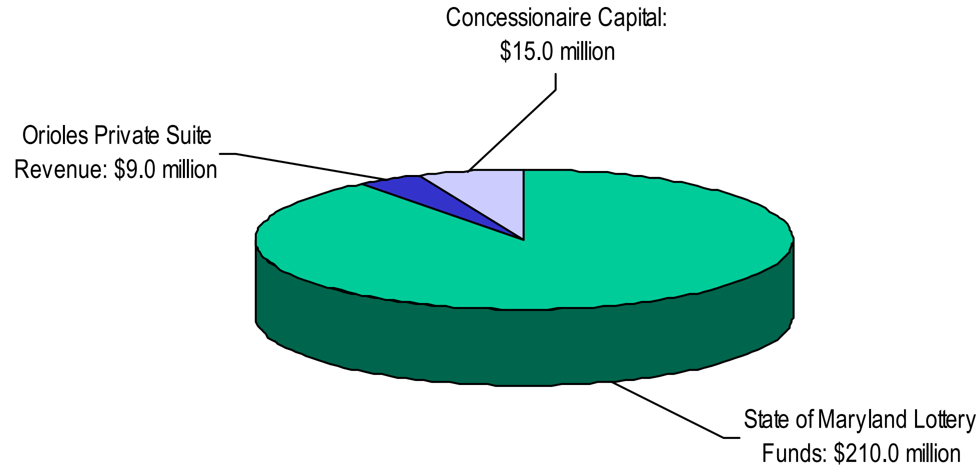
Jacobs Field – Other Financial Issues

Admission Taxes / Sales Taxes:	Six percent City admissions tax.
Property Taxes:	The Gateway Corporation is responsible for property taxes.
General Lease Terms:	The Indians are responsible for stadium operations and pay Gateway $0.75 per attendee from 1.85 to 2.25 million attendees, $1.00 per attendee from 2.25 million to 2.50 million, and $1.25 per attendee over 2.50 million attendees. The Indians also pay Gateway 1/3 of all advertising fees to the extent that the annual scoreboard advertising revenue, net of all associated costs, exceeds $1.5 million. As noted on the previous page, a specific portion of the suite revenue is earmarked for stadium debt service. Gateway is also responsible for the cost of all major capital repairs.
Other Development/ Lease Terms:	Gateway assumed risk of cost overruns and timely construction of the project.
Voter Referendum Language:	For purposes of paying not more than 1/2 of the costs of providing a public sports facility together with related redevelopment and economic development projects, shall excise taxes be levied by Cuyahoga County at the rate of $3.00 on each gallon of spirituous liquor sold in the county by the Ohio Department of Liquor Control, 16 cents per gallon on the sale of beer at wholesale in the County, 0.32 cents per gallon on the sale of wines and mixed beverages at wholesale in the County, and 2.25 mills?

For		Against	
199,155	51.74%	185,783	48.26%

Camden Yards (1992)

Team, City, State:	Baltimore Orioles (MLB), Baltimore, Maryland
General Description:	Oriole Park at Camden Yards opened in 1992 and has a total seating capacity of approximately 48,000. The stadium incorporates 72 private suites and 5,125 club seats. The facility is owned and operated by the Maryland Stadium Authority.
Public Participation:	The State of Maryland contributed $55.0 million to the project in upfront capital from State lottery funds. The State also issued $155.0 million in revenue bonds secured by sports lottery funds generated in future years. Approximately $137.0 million of the bond issue was tax-exempt while the remaining $18.0 million was taxable.
Private Participation:	The facility's concessionaire, ARA Leisure Services, Inc., provided approximately $15.0 million for the development of the stadium's concession areas. The Maryland Stadium Authority funded $9.0 million for the development of the facility's private suites, which is being paid back from a portion of the Orioles' annual private suite revenue.



Total Development Costs: $234.0 million

Public Participation: 90%

Private Participation: 10%

Camden Yards – Other Financial Issues

Admission Taxes / Sales Taxes:	The Orioles pay a 10% admissions tax to the State of Maryland based on home game gate receipts. Additionally, a 5.0% State sales tax is applicable.
Property Taxes:	Property taxes are not applicable since the facility is publicly owned.
General Lease Terms:	The Authority receives 7% of gate receipts (net of sharing), 7.5% of net concession revenue, 2.5% of net novelty revenue, 50% of net parking revenue, approximately 10% of private suite revenue, 7.5% of club seat and club membership revenue, and 25% of net advertising revenue. The Authority retains all revenues generated from non-baseball events. In the event of a naming rights agreement, the MSA will receive 100% of revenues. The Authority assumes all fixed operating expenses, while the team is responsible for a portion of game-day expenses.
Other Development/ Lease Terms:	The Maryland Stadium Authority was responsible for cost overruns.

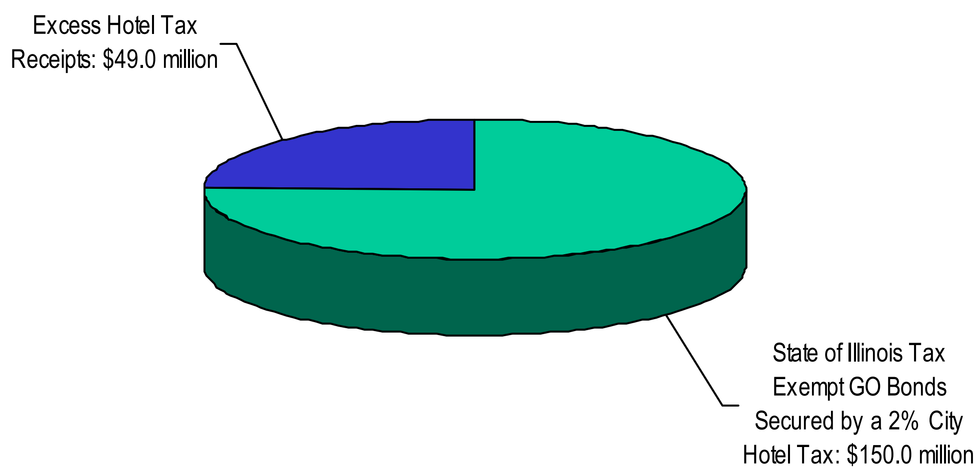
US Cellular Field (1991)

Team, City, State: Chicago White Sox (MLB), Chicago, Illinois

General Description: US Cellular Field opened in 1991 and has a total seating capacity of 44,321. The stadium incorporates 99 private suites, 4 party suites and 1,833 club seats. The facility is owned by the Illinois Sports Facility Authority and is operated by the Chicago White Sox.

Public Participation: The State of Illinois issued $150 million in general obligation bonds supported by annual State appropriations and a 2 percent city hotel tax to finance project development and construction costs. The remaining funds were provided by excess hotel tax revenue.

Private Participation: None



Total Development Costs:
$199.0 million

Public Participation:
100%

Private Participation:
0%

US Cellular Field – Other Financial Issues

Admission Taxes / Sales Taxes:	The City of Chicago assesses a 6% amusement tax on all amusement-related event tickets. Applicable sales tax includes a 6.25% State tax and a 1.0% County tax.
Property Taxes:	Property taxes are not applicable since the facility is publicly owned.
General Lease Terms:	The City receives rent from the White Sox based upon paid annual attendance to home games. Specifically, during years one through ten, the City receives $0.00 per attendee up to 1.2 million attendees, $2.50 per attendee between 1.2 to 2.0 million attendees, and $1.50 per attendee over 2.0 million attendees. During years 11 through 20, the City receives $0.00 per attendee up to 1.5 million attendees, $4.00 per attendee between 1.5 and 2.0 million attendees, and $1.50 per attendee over 2.0 million attendees. The ISFA receives the lesser of a) 35% of aggregate annual ballpark advertising revenue plus local television and radio broadcast rights in excess of $10 million, or b) the club's net operating income. The team assumes all fixed operating expenses, but receives a $2.0 million annual operating subsidy from the City. All non-baseball revenues are retained by the ISFA.
Other Development/ Lease Terms:	The construction manager was responsible for stadium development cost overruns. The White Sox would have received a $5 million late completion penalty from the construction manager if the ballpark had not been completed on time.